DALLAS CREEK AND SANTA MARGARITA PROJECTS

HEARING

BEFORE THE

SUBCOMMITTEE ON WATER AND POWER

OF THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

Second Session

ON

S. 2568

A BILL TO PROVIDE FOR CONFIRMATION OF THE REPAYMENT CONTRACT OF THE DALLAS CREEK PARTICIPATING PROJECT OF THE UPPER COLORADO STORAGE PROJECT

S. 2684

A BILL TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO CONSTRUCT, OPERATE, AND MAINTAIN THE SANTA MARGARITA PROJECT, CALIFORNIA, AND FOR OTHER PURPOSES

JULY 20, 1982

Publication No. 97-96

Printed for the use of the
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE

98-495 O WASHINGTON : 1982

S311-59

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CONTENTS

	Page
S. 2568	3
S. 2684	4

STATEMENTS

Armstrong, Hon. William L., a U.S. Senator from the State of Colorado	18
Blackwelder, Brent, Washington representative, Environmental Policy Center	137
Broadbent, Hon. Robert N., Commissioner, Bureau of Reclamation, Department of the Interior: accompanied by Haydn C. Lee. Jr., staff assistant. Bureau of Reclamation	22
Brooks, Theodore L., attorney representing Tri-County Conservancy, Montrose, Colo	43
Burgener, Hon. Clair W., a U.S. Representative from the State of California	9
Burzell, L. R., general manager and chief engineer. San Diego County Water Authority, San Diego, Calif	99
Cox, Chapman B., Deputy Assistant Secretary of the Navy for Logistics. Department of the Navy: accompanied by Lt. Gen. H. A. Hatch, Deputy Chief of Staff for Installation and Logistics	20
Hart, Hon. Gary, a U.S. Senator from the State of Colorado	44
Hayakawa, Hon. S. I., a U.S. Senator from the State of California	8
Jackson, Harley T., member, board of directors, Tri-County Water Conservancy District, Delta, Colo	55
McDonald, J. William, director, Colorado Water Conservation Board, Colorado Department of Natural Resources	38
McGuire, Leo, president, board of directors, Fallbrook Public Utility District	119
Murkowski, Hon. Frank H., a U.S. Senator from the State of Alaska	1
Roberts, James, past president, San Diego County Farm Bureau	111
Tinker, Gordon, general manager, Fallbrook Public Utility District, Fallbrook, Calif	68

APPENDIX

Additional material submitted for the record	151

DALLAS CREEK AND SANTA MARGARITA PROJECTS

TUESDAY, JULY 20, 1982

U.S. SENATE,
SUBCOMMITTEE ON WATER AND POWER,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 3110, Dirksen Office Building, Hon. Frank H. Murkowski, presiding.

Present: Senator Murkowski.

Also present: Russell R. Brown, professional staff member and Craig Gannett, counsel for the minority

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator MURKOWSKI. We will call the Subcommittee on Water and Power to order. Ladies and gentlemen, the hearing this morning is to take testimony on two bills, Senate bill 2568 which is to provide for the confirmation of the repayment contract for the Dallas Creek project in Colorado, and Senate bill 2684, to authorize the construction of the Santa Margarita project in California.

The first bill, Senate bill 2568, was introduced by Senators Armstrong and Hart, both of whom are scheduled to appear before us today and would have the effect of validating by statute the contractual limit that the Tri-County Water Conservancy District would have to pay for water delivered from the Dallas Creek project.

A similar measure has already been reported by the House Committee on Interior and Insular Affairs and is pending before the House of Representatives.

The second bill is Senate bill 2684 which was introduced by Senator Hayakawa on June 29. The bill would authorize the Secretary of the Interior to construct the Santa Margarita project which would provide water supply and flood control benefits to Camp Pendleton and the Fallbrook area in southern California.

As most of you know, the House Committee on Interior and Insular Affairs is holding a hearing on a companion Santa Margarita bill this morning.

Most of our witnesses are from out of town, and I appreciate your taking the time and expense to come back and give the committee the benefit of your views. We do our best to accommodate you.

I would ask that copies of the bills appear in the hearing record at this point.

Also the hearing record will remain open for 2 weeks to allow submission of additional material for the record.

[The texts of S. 2568 and S. 2684 follow:]

97TH CONGRESS
2D SESSION

S. 2568

To provide for confirmation of the repayment contract of the Dallas Creek participating project of the Upper Colorado storage project.

IN THE SENATE OF THE UNITED STATES

MAY 25, 1981

Mr. ARMSTRONG (for himself and Mr. HART) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

---

A BILL

To provide for confirmation of the repayment contract of the Dallas Creek participating project of the Upper Colorado storage project.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the repayment contract for the Dallas Creek participating project of the Upper Colorado River storage project, entered into January 14, 1977, and entitled "Re-Payment Contract Between the United States of America and the Tri-County Water Conservancy District", the portion of the costs of such project, including interest on construction costs, allocated to municipal and industrial use which exceeds $38,000,000 shall not be reimbursable.

97TH CONGRESS
2D SESSION

S. 2684

To authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 29 (legislative day, JUNE 8), 1982

Mr. BAKER (for Mr. HAYAKAWA) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

---

A BILL

To authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 28, 1954 (68 Stat. 575), is hereby amended by striking all after the enacting clause and inserting the following:

SECTION 1. The Secretary of the Interior is authorized to construct, operate, and maintain the Santa Margarita project, California, in accordance with the Federal Reclamation Laws (Act of June 17, 1902, Stat. 388, and Acts amendatory thereof or supplementary thereto), and the plan set out in

★(Star Print)

the report of the Secretary on the project with such modification of, omissions from, or additions to the works, as the Secretary may find proper and necessary for the purpose of furnishing a supplemental municipal and industrial water supply, supplemental irrigation water supply, flood control, regulation of imported water, recreation, and fish and wildlife enhancement. The principal features of the project shall consist of Fallbrook and DeLuz Dams and Reservoirs, pipelines, and regulation facilities required to provide water to the Fallbrook Public Utility District and the Marine Corps base at Camp Pendleton.

SEC. 2. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213) as amended by section 77 of the Water Resource Development Act of 1974 (88 Stat. 33).

SEC. 3. The costs allocated to flood control of the project shall be nonreimbursable and nonreturnable.

SEC. 4. The interest rate used for computing interest during construction and interest on the unpaid balance of the interest-bearing reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest

rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 5. (a) The Secretary is authorized to enter into contracts with the Department of the Navy and other qualified entity or entities for delivery of water and for repayment of the reimbursable construction costs. However, such amount of the costs of construction as are allocated to the furnishing of a water supply to the Marine Corps base at Camp Pendleton shall be nonreimbursable.

(b) Construction of the project shall not be commenced until suitable contracts have been executed by the Secretary with the Department of the Navy and qualified entity or entities.

SEC. 6. The Secretary of the Interior shall have such rights of ingress and egress to lands within the confines of Camp Pendleton as are necessary to conduct post authorization studies, construct project facilities, and to conduct necessary operation and maintenance functions associated with the project. The Secretary of the Army shall have such rights of ingress and egress to project works within the confines of Camp Pendleton as are necessary to conduct activities associated with the flood control functions of DeLuz Dam and Reservoir.

SEC. 7. There is authorized to be appropriated the sum of $96,500,000 (January 1975 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein, and in addition thereto, sums as may be required for operation and maintenance of the project.

Senator MURKOWSKI. Of course, I have Mr. Russ Brown, the professional staff, with me. I am sure he is known to most of you.

We will divert a little bit from the witness list and call on Senator Hayakawa for his statement. Senator, it is a pleasure to welcome you before the committee this morning, and we wish you a good day.

STATEMENT OF HON. S. I. HAYAKAWA, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator HAYAKAWA. Thank you, Mr. Chairman. Mr. Chairman, I want to thank you for your subcommittee's expeditious consideration of my bill, S. 2684, which authorizes construction of the Santa Margarita project in San Diego County, Calif.

The Camp Pendleton Marine Corps Base as well as the residents of Fallbrook, Calif., which has a thriving agricultural economy, urgently need this long-delayed water supply and flood control project.

By the way, Fallbrook is where so many of your avocados come from.

Senator MURKOWSKI. I always wondered.

Senator HAYAKAWA. Representative Clair Burgener has introduced similar legislation in the House of Representatives, H.R. 1527, which is cosponsored by other Representatives from San Diego County—Congressmen Badham, Lowery, and Hunter.

Dependent on imported water for about 90 percent of its needs, San Diego County receives its present supply of water from the Colorado River and northern California, both of which are hundreds of miles away. The average rainfall ranges from 10 to 15 inches a year. Groundwater storage is limited and most of the basins are adjacent to the Pacific Ocean, making it difficult to draw water during dry years when there is a high risk that the salt water could seep into the acquifers. Although there are some small rivers in the area, most are already fully utilized. All of these factors contribute to the grim long-range water supply for the residents of San Diego County.

The Santa Margarita project would develop one of the few remaining rivers in San Diego County. Located in the northern part of the county, the Santa Margarita River flows through the communities of Fallbrook and Camp Pendleton, a major Marine Corps base.

Originally authorized by Congress in 1954, this project came to a halt because of extensive water rights litigation. Once the case was resolved in 1968, the project required reauthorization by Congress. The Bureau of Reclamation's feasibility study of the two dam projects shows that it is technically and economically feasible.

The Fallbrook Public Utility District and Camp Pendleton would utilize the water from the Santa Margarita project. The district serves over 16,000 residents and more than 9,000 acres of irrigated agriculture, mostly avocado and citrus groves. During peak irrigation seasons, the area aqueducts can store only 2 or 3 days' worth of water supply. A serious disruption in the aqueducts serving the district could have a disastrous effect on these permanent crops, not to mention the hardships on the residents.

The administration's defense programs call for additional training activities and units at Camp Pendleton. A review of the base's water supply capacity indicates that it will not be able to support this planned increase after 1986. The base presently relies upon underground water as its sole source of water supply. The Santa Margarita project facilities will provide an alternative source of water supply for the Marine Corps base at Camp Pendleton, the U.S. Naval Hospital, and the Naval Weapons Station, Fallbrook Annex.

The Santa Margarita project consists of two dams, one located at Camp Pendleton, and the other upstream at the Santa Margarita River in Fallbrook. A conveyance line from each reservoir would reach into the service areas and recreational facilities also would be established.

Mr. Chairman, the residents of Fallbrook and those at Camp Pendleton Marine Corps Base have gone far too long without a stable water supply. Present supplies will be reduced in 1985 when the Central Arizona project commences and California loses some of its present water rights.

It makes sense, therefore, to use a local water source instead of having to rely upon imported water. As the population of Fallbrook and Camp Pendleton grows, so too will the demand to make the maximum use of all available sources.

Mr. Chairman, I respectfully request your favorable consideration of this legislation, and I thank you again for holding this hearing.

Senator MURKOWSKI. Thank you, Senator Hayakawa. We appreciate that statement, and we call on Congressman Clair Burgener. It is a pleasure to welcome you to the committee this morning.

Mr. BURGENER. Thank you, Mr. Chairman.

STATEMENT OF HON. CLAIR W. BURGENER, A U.S. REPRESENTATIVE FROM THE STATE OF CALIFORNIA

Mr. BURGENER. We appreciate very much your taking the time to hear from us and our constituents on this very important matter, and I want to thank Sam Hayakawa for joining me in what we think is the most important water project in southern California.

Sam and I have a lot in common. We are both lame ducks by our own choice, but I want to assure the committee we are not dead ducks, and this is really something that we want to do our very best to get authorized before we leave. I am sure that we will be followed by people that will carry through on it, but it is critically essential. The water is our lifeblood in the West, and I am sure you are well aware of that, Mr. Chairman, and certainly your committee.

Sam has explained that we don't get enough rainfall. In a wet year we might get 15 inches. In a dry year, we might get 6 or 7. That is not enough, so we import our water from the Colorado River and northern California.

The Supreme Court has ruled, and there is no question about it, that it is going to be the law of the land that when the Central Arizona project comes on line, the share of the Colorado River will diminish greatly in California. Now that will affect San Diego far

more than other parts of California, and I would like to explain that.

Los Angeles, the water authority up there, are permitting us to purchase far more than the amount of water that we are legally entitled to. We appreciate that, but we know that it will come to an end. When the Colorado River water supply diminishes, Los Angeles County area with its vast population will have to have more. We are going to be cut off, and so to San Diego County water is probably more critical than any other place in the entire State of California.

In the wet years, and right now we have been blessed by about 4 wet years in a row, that is wonderful except our blessings come too fast, one on top of the other, and we have had flooding and damage. Worse than that probably is the many thousands of acre-feet of good fresh water that is lost out in the ocean. The dry years, we have seen them, and they will be back. It is cyclical. I have seen many of them in my years, and then we will get into water rationing. We won't have water on our farms, won't have it for municipal or industrial use, and we are going to have to save and hang on to every drop of water we can get our hands on that will be compatible with protecting the environment, so here we are fortunate.

We have got the Camp Pendleton, a huge military installation vital to the defense of our country, perhaps 100,000 acres, and then we have got the community of Fallbrook above it and many other communities that are agriculture in nature, and they have come to agreement over all this water after about 10 long years of the Federal courts about who owns the water and to whom it belongs.

That is all behind us. Camp Pendleton is getting water from wells, and they import some water, but they won't have any supply for the long range. Luckily upstream we are not going to have to innundate a whole bunch of farms or buy a lot of land. The land acquisition will be very minor. The environment is to be considered. The environmental impact reports will have to be updated. We are all concerned that this be compatible with the well-being of the whole north county area. We believe that this is the most sensible way to save and store water for present and future generations.

This water that we are going to lose will be lost probably before these dams come on line. We will probably lose our water in 1985 or 1986. Our best guess even with no unforeseen delays would be about 8 years before this project could come on line. Later in the day you have been kind enough to hear four people from San Diego County who are expert and will answer any and all questions that you have about the project, but we do want to stress its vital importance, and we are not the only place that needs water.

We think that water is going to take precedence over energy one day in terms of the real need to develop our country.

I thank you, Mr. Chairman. We are deeply appreciative of your time.

[The prepared statement of Mr. Burgener follows:]

Statement of Representative Clair W. Burgener

Before the Subcommittee on Water and Power Resources

of the Committee on Interior and Insular Affairs

on H.R. 1527, July 20, 1982

Mr. Chairman:

This is a momentous day for many of the people I represent. Today, on both sides of Capitol Hill, the Santa Margarita Project is receiving the kind and careful attention of the Subcommittees with jurisdiction over projects of the Bureau of Reclamation of the Department of the Interior. H.R. 1527, the legislation I have introduced in the House with Congressmen Bob Badham, Duncan Hunter and Bill Lowery as co-sponsors, and S. 2684, the legislation introduced in the Senate by Senator Hayakawa, would authorize the construction, operation and maintenance of the Santa Margarita Project which is vital to the future of north San Diego County, California and important to all of California and, indeed, the entire nation.

This project has had a long and torturous road. The Fallbrook Public Utility District and the Camp Pendleton Marine Corps Base first reached an agreement to construct a single dam project on the Santa Margarita River in 1949.

The project was authorized by Congress for construction by the Bureau of Reclamation in 1954 but litigation over water rights delayed further action until 1968 when an out-of-court settlement between the United States and the District provided for a physical solution to the controversy resulting in the two dam project before you today.

The Bureau of Reclamation developed a feasibility report on the project finding it feasible from an engineering and an economic standpoint in 1974. An Environmental Impact Statement was completed in 1976.

Both the District and the Marine Corps now urge its authorization as you will hear when their representatives testify later today.

The project facilities are to include the 143,000 acre-foot "DeLuz Dam and Reservoir" located on Camp Pendleton and the 36,500 acre-foot "Fallbrook Dam and Reservoir" in the community of Fallbrook. Necessary conveyance lines and related facilities are included.

It will supply supplemental municipal, industrial and agricultural water, flood control, recreation, fish and wildlife enhancement, and regulation of imported water to the Marine Corps base and Fallbrook.

At the present time, Fallbrook depends largely upon water imported from the Colorado River and northern California for its water needs. Local water supplies in this semi-arid desert-like area are extremely limited and during the heavy irrigation season in the summer months, local water storage capacity does not exceed three days supply. This leaves the local citizenry and the agricultural base that supports it at risk to a disastrous interruption at any point in delivery systems stretching over hundreds of miles.

The major defense installation located at Camp Pendleton, our largest Marine Corps base in the nation, has through a careful water conservation plan remained self sufficient to this time. But full utilization of the base both during future periods

of mobilization and for training in peace time, requires that added supplies be available by 1986. This project would furnish these needed supplies.

Three devastating floods on the Santa Margarita in the past few years have destroyed railroad facilities on the base and threatened the principal highway between Los Angeles and San Diego. The rampaging water of the 1980 flood alone, if captured before it ran to the sea, would have been worth between $12 million and $17 million.

This is a vital project which will serve the needs of a community of 18,000 people, support an industry serving the entire nation and provide a water supply and flood control for an important military installation.

On behalf of my colleagues, my constituents and the nations interests, I urge your favorable consideration of this vital project.

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Senator MURKOWSKI. Thank you, Congressman Burgener, for that very complete statement.

I assume now from the map that the water presently empties into the Pacific Ocean in those years when there is water and it is not used?

Mr. BURGENER. That's right. Water is wasted in our wet years. This would prevent that. It would impound and store it. It would provide recreational and other things as well, but the main thing is water for the municipal, agricultural, and industrial use.

Senator MURKOWSKI. And the reason that the one dam proposal was dropped in favor of the two dams, two earth-filled dams, was what?

Mr. BURGENER. My expert witnesses can testify on that much better than I, but I can just summarize by saying it would make a lot more sense to have two than to have one, and there was disagreement over so many years about who owned the water. That is behind us. That is resolved in the most practical way.

The larger of the two in terms of storage would actually be on the Marine Corps property. They will testify to that. That is the largest storage facility, but it is a good, happy resolution of a long-time, difficult, and prolonged litigation

Senator MURKOWSKI. I see a couple of rows of Marines here, and I hope they are here to testify.

Mr. BURGENER. I believe they are on our side, sir.

Senator MURKOWSKI. Thank you very much, Congressman and Senator Hayakawa. We appreciate your statements and your very thorough statements.

I believe we can go back to our original witness list. I see that Senator Hart has joined us. Senator, would you care to come before the witness table? Is Senator Armstrong here?

Senator HART. I am not sure my colleague is here yet. I know he is expected.

Senator MURKOWSKI. I have just been advised, Senator Hart, that Senator Armstrong will not be here. His office has provided a statement for the record, and it will be inserted in the record as noted.

Good morning, Senator, we welcome you to the committee and look forward to your testimony on the Senate bill 2568. Please proceed.

STATEMENT OF HON. GARY HART, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator HART. Mr. Chairman, I want to thank you not only on my behalf but on behalf of my colleague, Senator Armstrong, with whom I join on this bill. My remarks here are extremely brief and hopefully to the point.

On the Dallas Creek project, events for all practical purposes beyond the control of the contracting entity in our State called the Tri-County Water Conservancy District have pushed the expected cost of that project to an anticipated $76 million, which is almost exactly double the amount that the conservancy district contracted firmly and in good faith with the Bureau of Reclamation for in terms of their repayment commitment. That commitment was in the amount of $38 million exactly, half what the now expected cost

of the project will be. That project is now, Mr. Chairman, almost 50 percent complete.

This legislation is necessary because the project was negotiated in good faith with the Federal Government, and otherwise without this legislation would potentially be abandoned without some action by Congress to help solve this situation. This legislation merely reaffirms the terms of the original repayment contract rather than changing its terms.

The administration as far as I am able to tell, our Governor, Governor Lamm, my colleague, Senator Armstrong, Congressman Kosic who is the congressman from the district affected, and other interested parties all support this legislation because of the significant progress already made on the project and its need in western Colorado.

Essentially what happened, Mr. Chairman, after the contract was negotiated, as I say, limiting the district's repayment obligation to $38 million, an item that was explicitly negotiated between the Bureau and the conservancy district and accepted as a condition of the original contract between the Government and the District, the Teton Dam event tragically occurred. The collapse of that dam prompted the Bureau to redesign the structure of the Dallas Creek project as well as a number of others. The result of that redesign increased the cost of the project, again almost double what its original estimate was, and because of delays as well as an additional structural feature that has caused the hiatus that we presently face, and that has caused Senator Armstrong and myself to introduce legislation which we hope this committee will consider favorably.

Again I thank you on my behalf as well as Senator Armstrong's for taking this measure up and giving it early consideration.

[The prepared statements of Senator Hart and Senator Armstrong follow:]

Statement of Senator Gary Hart
July 20, 1982
Before the Subcommittee on Water and Power
Committee on Energy and Natural Resources

Mr. Chairman, I'd like to thank you at the outset for the expeditious scheduling of this hearing on S. 2568, a bill cosponsored by Senator Armstrong and myself. We appreciate this opportunity to appear before you.

S. 2568 provides for confirmation of the provisions of the repayment contract for the Dallas Creek participating Project of the Colorado River Storage Project (CRSP). Subsequent witnesses today representing the Governor of Colorado and the Tri-County Water Conservancy District, the local government entity which is the sponsor of the Dallas Creek Project, will provide you with details concerning the problem to which S. 2568 is addressed. I commend their testimony to you and the compelling case which they will present for the prompt passage of this legislation.

As these witnesses will demonstrate, the repayment contract which Tri-County has negotiated with the Federal government fixes $38 million as the absolute ceiling on the District's repayment obligation for the municipal and industrial water supply of the Dallas Creek Project. Tri-County owes no larger sum to the United States.

Unfortunately, the costs allocable to municipal and industrial water are expected to reach about $76 million before the Project is complete. However, the Federal government is entirely responsible for these cost overruns, the overruns being the result of construction delays caused by dam safety and dam redesign considerations. Under the terms of the original contract, Tri-County cannot be held responsible for the $38 million in cost escalation.

Mr. Chairman, S. 2568 will remove all doubt as to the limit of Tri-County's repayment obligation. Both fairness and equity, let alone the United States clear contractual agreement, speak persuasively for early and favorable action on this legislation.

Mr. Chairman, other witnesses will speak in greater detail about this legislation and the Dallas Creek Project, but I will be pleased to provide any additional information which the Subcommittee desires.

I appreciate this opportunity to appear on behalf of Colorado's water needs.

STATEMENT OF
SENATOR WILLIAM L. ARMSTRONG
BEFORE THE
WATER & POWER SUBCOMMITTEE OF THE
SENATE ENERGY & NATURAL RESOURCES COMMITTEE
July 20, 1982

Mr. Chairman, I would like to thank the Committee for moving so promptly to consider S. 2568, which I introduced recently to confirm the repayment contract of the Dallas Creek Participating Project of the Upper Colorado Storage Project.

It is my intention to be brief today, because the Colorado spokesmen who have travelled to Washington to give their testimony will cover the pertinent issues in considerable detail. I would, however, like to point out the facts and circumstances that led us to today's hearing.

This repayment contract between the United States and the Tri-County Water Conservancy District limits the District's repayment obligation to $38 million. This limit is different from the usual repayment contract requirement that water users repay the full amount of the construction costs allocated to them, even if this requires a renegotiation of the original contract terms. In fact, in this case, that limit was an item explicitly negotiated between the Bureau of Reclamation and the Conservancy District. My staff has worked with the Regional Directors of the Bureau of Reclamation to determine that this arrangement -- the absence of a renegotiation clause -- is literally unique among repayment contracts entered into by the Bureau. Its unique status has been verified in writing by Office of Management and Budget Director David Stockman. In exchange for leaving the customary renegotiating clause out, the Bureau received a very generous cost-escalation provision of some 35%; at the time, this was thought to be more than enough to meet any cost overruns. Indeed, it looked then like a good bargain.

But, after the contract was executed, the Teton Dam collapse prompted the Bureau to redesign the Dallas Creek Project and add new structural guarantees of dam safety. Largely as a result of this subsequent delay, and the expensive design changes, the portion of the project costs ordinarily allocated to local water users shot through that $38 million ceiling and are now expected to be around $76 million.

Although the repayment contract makes it clear that the Conservancy District cannot be held responsible for any of the construction costs beyond the agreed $38 million, there is at least a possibility that further construction of the project may be delayed or foregone unless the District agrees to renegotiate the contract. This would be unfair to all parties, because stopping construction would involve the waste of the money and efforts that have already been invested, and it would postpone the day when pressing local water needs would be met.

I can state the case even more succinctly. The local water users in Western Colorado made a good bargain, and they are entitled to enjoy the benefit of it. The contract is valid and enforceable; because it is unique, it sets no precedent whatever that might put the federal government in a fiscally disadvantageous position. Time is of the essence in this matter, and the effort to meet America's increasing water needs must not be delayed due to unnecessary contractual squabbles. This bill confirms the validity of the current contractual arrangement and is entirely deserving of prompt and favorable consideration by this committee.

Senator MURKOWSKI. Thank you very much, Senator. You indicated in your statement that it was about 50 percent complete and would require another $38 million, taking it up to about $76 million.

I wonder if you have any information relative to the accuracy of the additional $38 million? If it is 50 percent done and has already cost twice as much as it originally was estimated to cost, do we have any assurance that it is going to come in at $76 million if it is 50 percent done?

Senator HART. Mr. Chairman, I can't offer the committee that type assurance. The figures that I have cited here this morning are based upon best estimates we can get from the Bureau.

Senator MURKOWSKI. I assure you that question will be asked of some of the expert witnesses and it will be in the record, and I think it is appropriate that it be asked.

I thank you. I appreciate the fact that you were able to be with us this morning, and we are certainly understanding of the reasons why Senator Armstrong could not be here, and we wish you a good day, Senator. Thank you again.

Senator HART. Thank you, Mr. Chairman.

Senator MURKOWSKI. Our next witness is Mr. Chapman Cox, Deputy Assistant Secretary of the Navy for Logistics, Department of the Navy, accompanied by Lieutenant General Hatch, Deputy Chief of Staff for Installation and Logistics, and I think we will have a panel here and include Commissioner Broadbent, Bureau of Reclamation, the Department of the Interior.

At this time as well I would ask perhaps we have Mr. Cox, Deputy Assistant Secretary of the Navy or Lieutenant General Hatch, as they proceed with their testimony, introduce the Marine Corps group that I assume will have testimony.

Mr. Cox. Sir, I am prepared to do that.

Senator MURKOWSKI. Fine. Mr. Cox, why don't you proceed with your statement of testimony and introduction or whatever.

It is a pleasure, General, to welcome you before the committee, Mr. Cox and General Hatch, and of course, we see Commissioner Broadbent often and it's nice to see you again this morning.

Commissioner BROADBENT. Thank you, Senator.

Senator MURKOWSKI. Commissioner, please proceed with your testimony, and we have another gentleman?

Commissioner BROADBENT. This is Mr. Haydn Lee from my staff, Mr. Chairman.

Senator MURKOWSKI. Please proceed.

STATEMENT OF CHAPMAN B. COX, DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR LOGISTICS, DEPARTMENT OF THE NAVY; ACCOMPANIED BY LT. GEN. H. A. HATCH, DEPUTY CHIEF OF STAFF FOR INSTALLATION AND LOGISTICS

Mr. Cox. Mr. Chairman, it is a pleasure to be here with you today to testify on this important project.

We also wish to express our appreciation to you and your committee staff for expediting this hearing.

Before I proceed I would like to introduce the gentlemen from Camp Pendleton who traveled here to be present with us and to

answer any questions of a particular nature which we may not have in our own personal knowledge.

First is Col. Al Bernottis who is the Assistant Deputy Chief of Staff of Camp Pendleton for Facilities.

Senator MURKOWSKI. Good morning, Colonel—nice to have you with us.

Mr. Cox. Second is Mr. Paul Campo, who is the environmental resource officer at Camp Pendleton.

Senator MURKOWSKI. Good morning.

Mr. Cox. And last is Lt. Col. Rufus Young who is the staff judge advocate of the Marine Corps base.

Senator MURKOWSKI. Good morning.

Colonel YOUNG. Good morning, sir.

Mr. Cox. Sir, I would like to proceed with my brief statement and then be ready to answer questions, or would you rather defer the questioning?

Senator MURKOWSKI. I think what we will do, you go ahead and make your statement and we will have statements from the entire panel and then I will have some questions for you.

Mr. Cox. Yes, sir, in 1972 the Department of the Navy recommended that the Commissioner of the Bureau of Reclamation make every effort to assure early accomplishment of the Santa Margarita project.

The necessity for a high-quality water supply for the marines at Camp Pendleton is now critical. The safe yield from existing sources is estimated to be reached by 1986. Alternate water supplies from other southern California sources are rapidly diminishing, as you have heard Congressman Burgener testify.

One of the missions of Camp Pendleton which is vital to our national security interest is to act as a staging base for U.S. Marine Corps operations in the Pacific theaters. The camp's ability to surge its capacity at time of crisis will be severely restricted after 1986 if it is limited to dwindling existing water sources.

To avoid recurring multimillion-dollar flood damage costs and to develop the Department of the Navy's right to at least 7,000 acre-feet of high-quality water annually, the Department of the Navy supports annual appropriations to fund the Navy's fair share of the project cost to be incurred over a 7-to 10-year period. Navy appropriations would be combined with reimbursable Bureau of Reclamation appropriations to complete the project. The Department of the Navy is also prepared together with the Fallbrook Public Utility District to contribute the requisite land to the Bureau of Reclamation for the project. The land conversion will not have a significant impact on the Marine Corps training programs at Marine Corps Base, Camp Pendleton.

In conclusion, let me say that the Department of the Navy strongly supports the Santa Margarita project pending confirmation of the economic, environmental, and hydrological feasibility by the Secretary of the Interior.

Thank you, sir.

Senator MURKOWSKI. Thank you very much, Mr. Cox. The next witness, General?

General HATCH. Mr. Chairman, I do not have a prepared statement in that I am here in support of the Department of the Navy position.

Given this opportunity, however, I would say that at Camp Pendleton for many years we have fought serious and very significant water problems. It seemed a few years ago we nearly had a resolution, but as the water table drops, then the requirement continues.

This is a very significant project to the continued use of this very significant 200-square mile base, the only large amphibious base on the entire west coast that gives us an opportunity for the use of that facility.

Senator MURKOWSKI. I thank you, General. I appreciate your comments.

Commissioner, would you care to proceed?

STATEMENT OF HON. ROBERT N. BROADBENT, COMMISSIONER, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR; ACCOMPANIED BY HAYDN C. LEE, JR., STAFF ASSISTANT, BUREAU OF RECLAMATION

Commissioner BROADBENT. Thank you very much, Mr. Chairman. It is a pleasure again to appear before you to speak on behalf of Senate bill 2684. The measure would authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project in California. S. 2684 amends Public Law 83-547, which in 1954 authorized construction of the project with a single reservoir on Camp Pendleton to allow development of two reservoirs with expanded water supply and other benefits as provided in the feasibility report prepared in 1970.

The Department of the Interior supports the project but recommends that the attached draft legislation be substituted for S. 2684. This substitution would make the project subject to a Secretarial determination of economic justification and environmental acceptance prior to appropriation of construction funds and provide the basis for a current appropriation ceiling. The Secretarial determination would include identification of mitigation measures as appropriate and would be based on studies in progress which are scheduled to be completed in fiscal 1984.

As shown on the map, the Santa Margarita project would consist of two dams and if you like over here Mr. Lee will point them out—and reservoirs on the Santa Margarita River and two major conveyance lines to serve the Fallbrook Public Utility District and the Marine Corps base at Camp Pendleton in southern California.

The project is a multi-purpose proposal which will provide a supplemental municipal and industrial water supply to both the district and Camp Pendleton and supplemental irrigation water to the district. In addition, the project will provide flood control, recreation, and regulation of imported water.

The Fallbrook Public Utility District serves an area of 15,000 acres of which about 8,800 acres are arable. The district purchases imported water from the San Diego Water Authority to supply essentially all of its present water requirements. The project is needed to provide an additional water supply for these users in northern San Diego County in the face of growing needs and to

reduce their dependence on import water supplies from the Colorado River in northern California.

The district is primarily agricultural and water for irrigation comprises over 85 percent of its total water use. About 3,600 acres were under irrigation in 1958. The main crops produced are avocados and citrus which account for about 88 percent, and 10 percent of the irrigated acreage, respectively. Other crops including strawberries and nursery stock account for the remaining irrigated acreage.

Camp Pendleton, as has been explained to you already, is one of the largest Marine Corps bases in the United States. The base obtains most of its water supplies from the Santa Margarita River through an extensive system of check dams, spreading basins, and wells. These supplies have been adequate in normal times, but during a time of large mobilization would limit the number of troops that could otherwise be sustained at the base.

The Department of Navy advises that the project is vital to the protection of the Nation's capital investment in the facilities at Camp Pendleton. The Department of the Navy also advises that provision for adequate high-quality water supplies would virtually eliminate the risk in proceeding with planned future development of those activities which are vital to our national defense structure.

We understand that the Department of Navy is willing to fund their share of construction projects during construction, and we just heard that in the testimony.

Costs reimbursable by the Fallbrook Public Utility District plus its share of the operation and maintenance costs would be repaid to the Federal Government by means of water charges plus annual charge for storage of imported water. The repayment period would be 50 years.

In addition, the district would provide presently owned lands at the Fallbrook site which are valued at around $8 million as an initial contribution to the project costs.

The project water is to be divided 60 percent to Camp Pendleton and 40 percent to the district, in accordance with the memorandum of understanding and agreement which followed the 1965 U.S. court of appeals rendering of a decree cataloging the water right for the Santa Margarita River.

The project costs were estimated at that time to be $96,500,000 based on January 1975 prices. The estimated current project cost is $174 million indexed to January of 1982.

We feel the benefits have increased proportionately in relation to the cost. About 30 percent of the costs would be repaid by the Fallbrook Public Utility District. About 58 percent of the cost is a Federal cost to provide services for Camp Pendleton and about 12 percent are not reimbursable Federal costs.

Mr. Chairman, that completes my statement, and I would like to have my full statement entered into the record if I might, and I would be available for questions.

[The prepared statement of Commissioner Broadbent follows:]

Statement of Robert N. Broadbent, Commissioner
Bureau of Reclamation
Representing the Department of the Interior
before the Senate Committee on Energy and
Natural Resources on S. 2684, a bill
"To authorize the Secretary of the Interior
to construct, operate, and maintain the
Santa Margarita Project, California, and
and for other purposes"

July 20, 1982

Mr. Chairman and members of the Committee. I am appearing today to present the views of the Department of the Interior on S. 2684. The measure would authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita Project, California. S. 2684 amends Public Law 83-547, which in 1954 authorized construction of the project with a single reservoir on Camp Pendleton, to allow development of two reservoirs with expanded water supply and other benefits, as provided in the feasibility report prepared in 1970.

The Department of the Interior supports the project but recommends that the attached draft legislation be substituted for S. 2684. This substitution would make the project subject to a Secretarial determination of economic justification and environmental acceptance prior to appropriation of construction funds and provide the basis for a current appropriation ceiling. The Secretarial determination would include identification of mitigation measures as appropriate and would be based on studies in progress which are scheduled to be completed in 1984.

As shown on the map, the Santa Margarita Project would consist of two dams and reservoirs on the Santa Margarita River and two major conveyance lines to serve the Fallbrook Public Utility District and the Marine Corps Base at Camp Pendleton in southern California. The project is a multipurpose proposal

which will provide a supplemental municipal and industrial water supply to both the district and Camp Pendleton and supplemental irrigation water to the district. In addition, the project will provide flood control, recreation, and regulation of imported water.

The Fallbrook Public Utility District serves an area of 15,760 acres, of which 8,790 acres are arable. The district purchases imported water from the San Diego County Water Authority to supply essentially all of its present water requirements. The project is needed to provide an additional water supply for these users in northern San Diego County in the face of growing needs and to reduce their dependence on import water supplies from the Colorado River and northern California. The combined import requirement of the district and the Base is greater than their share of capacity in the San Diego Aqueduct. They are able to satisfy all their current demand because some other districts are not using their full entitlement. Thus, the project would also relieve projected water supply and distribution problems involving other districts in the County. The project would not eliminate the need for the district to purchase water from the San Diego Water Authority Aqueduct.

The district is primarily agricultural, and water for irrigation comprises over 85 percent of its total water use. About 3,600 acres were under irrigation in 1968. The main crops produced are avocados and citrus, which account for about 88 percent and 10 percent of the irrigated acreage, respectively. Other crops, including strawberries and nursery stock, account for the remaining irrigated acreage.

Camp Pendleton, one of the largest Marine Corps bases in the United States, occupies 135,000 acres in the coastal mountains and plains west of the town of Fallbrook, California. The base obtains most of its water supplies from

the Santa Margarita River through an extensive system of check dams, spreading basins, and wells. These supplies have been adequate in normal times, but during a time of large mobilization would limit the number of troops that could otherwise be sustained at the base.

The Department of the Navy advises that the project is vital to protecting the Nation's capital investment in the facilities located at Camp Pendleton. The Department of the Navy also advises that provision for an adequate, high-quality water supply will virtually eliminate the risk in proceeding with planned future development of those activities which are vital to our national defense structure. We understand that the Department of the Navy is willing to fund their share of the construction costs during project construction.

The two reservoirs would store and deliver an average of 15,540 acre-feet of water per year, which would be divided between Camp Pendleton and the Fallbrook Public Utility District. Camp Pendleton has historically captured 4,000 acre-feet per year through ground-water recharge. Therefore the project net average annual yield would be 11,540 acre-feet. This yield would provide 7,050 acre-feet to Camp Pendleton and 4,490 acre-feet to the Fallbrook Public Utility District.

Costs reimbursable by the Fallbrook Public Utility District, plus its share of operation and maintenance costs, would be repaid to the Federal Government by means of water charges plus an annual charge for storage of imported water. The repayment period would be 50 years. In addition, the district would provide presently owned lands at the Fallbrook site which are valued at $8,352,000 as an initial contribution to the project costs.

As you know, the Administration is new developing a cost-sharing policy for new water projects and we will work out the details of the cost sharing and financial arrangements with Fallbrook when that policy becomes final.

The principal features of the plan of development would consist of Fallbrook Dam and Reservoir, DeLuz Dam and Reservoir, Fallbrook Conveyance Line, Cross-Base Aqueduct, and otudoor recreation and fishing facilities. Fallbrook Reservoir near the town of Fallbrook would have an initial storage capacity of 36,500 acre-feet and a water surface area of about 610 acres. It would inundate about 4 miles of the Santa Margarita River. DeLuz Reservoir, situated within Camp Pendleton about 8 miles downstream from Fallbrook Reservoir, would have a total storage capacity of about 143,000 acre-feet and a water surface area of about 1,550 acres at the top of the conservation pool. Conservation storage capacity would total 100,000 acre-feet. A minimum pool of about 3,000 acre-feet of water would have a surface area of 212 acres. The remaining 40,000 acre-feet of storage capacity would be exclusively for flood control. At maximum storage capacity, DeLuz Reservoir would inundate about 12 miles of channel in the Santa Margarita River and its tributary DeLuz Creek.

The two reservoirs would provide the necessary storage and regulation capability for conservation of the natural riverflows and regulation of imported water from the San Diego Aqueduct. The Fallbrook Conveyance Pipeline and Pumping Plants would deliver project water from the Fallbrook Reservoir to the district's service area and the Fallbrook Naval Weapons Station.

Most of Camp Pendleton's water supply would be released from the DeLuz Reservoir to the Santa Margarita ground-water basin for distribution through existing well fields and conveyance lines. The Cross-Base Aqueduct, consisting

of about 18 miles of pipe, would extend from DeLuz Dam to five existing tanks and one proposed tank serving water to the training camps in the northern and central parts of Camp Pendleton.

Project water is to be divided 60 percent to Camp Pendleton and 40 percent to the district in accordance with the memorandum of understanding and agreement which followed the 1965 U.S. Court of Appeals rendering of a decree which catalogued the water rights for the Santa Margarita River.

The project construction cost was estimated to be $96,500,000 based on January 1975 prices. Project benefits at that time included: Irrigation supply, $1,231,000; Municipal and Industrial water supply, $3,549,000; Regulation of Imported Water, $3,046,000; Flood Control, $595,000; Recreation, $569,000; and Fish and Wildlife enhancement, $489,000. The annual equivalent costs for benefit-cost analysis were $6,414,000 and annual equivalent benefits, $9,479,000. The estimated current project cost is $174,000,000 indexed to January 1982. We feel the benefits have increased proportionately in relation to the costs. About 30 percent of the cost would be repaid by the Fallbrook Public Utility District, about 58 percent of the cost is a Federal cost to provide service for Camp Pendleton, and about 12 percent are nonreimbursable Federal costs.

Mr. Chairman, this completes my statement. I would be happy to answer any questions you may have.

DRAFT DRAFT

To authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita Project, California, and for other purposes

A BILL

To authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita Project, California, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Act of July 28, 1954, (68 Stat. 575), is hereby amended by striking all after the enacting clause and inserting the following:

SECTION 1. The Secretary of the Interior is authorized to construct, operate, and maintain the Santa Margarita Project, California, in accordance with the Federal Reclamation Laws (Act of June 17, 1902, Stat. 388, and Acts amendatory thereof or supplementary thereto) and in accordance with the plan set out in the report of the Secretary on the project including any changes that may be required by the Secretarial determination of economic justification and environmental acceptability to be based on studies in progress, with such modification of, omissions from, or additions to the works, as the Secretary may find proper and necessary for the purpose of furnishing a supplemental municipal and industrial water supply, supplemental irrigation water supply, flood control, regulation of imported water, recreation, and fish and wildlife enhancement. Repayment of reimbursable construction costs shall be on such terms and conditions as the Secretary may determine, after consultations with the Secretary of the Treasury, notwithstanding any other provision of law to the contrary. The principal features of the project shall consist of Fallbrook

98-495 O—82——3

and DeLuz Dams and Reservoirs, pipelines, regulation facilities or other facilities required to provide water to the Fallbrook Public Utility District and the Marine Corps base at Camp Pendleton.

SEC. 2. THe Secretary is authorized to enter into contracts with the Department of the Navy and any other qualified entity or entities for delivery of water and for repayment of the reimbursable construction costs: provided, however, that the construction, operation, maintenance and replacement costs of facilities and portions of facilities allocated to flood control and to the furnishing of a water supply to the Marine Corps base at Camp Pendleton shall be nonreimbursable and nonreturnable, and shall be borne by the Department of the Navy.

SEC 3. There is authorized to be appropriated the sum shown in the Secretarial determination of economic justification and environmental acceptance as the project construction cost, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein, and in addition thereto, sums as may be required for operation and maintenance of the project.

Senator MURKOWSKI. Thank you, Mr. Broadbent. Commissioner, to what capacity would the 60-percent allowance relate to as far as mobilization to a larger capability than the present strength at Camp Pendleton? Does that 60 percent represent water that would replace water you are getting from the Colorado River?

Commissioner BROADBENT. The project water yield is divided in accordance with a memorandum of understanding reached between the Navy and the Fallbrook District several years ago as a result of adjudication. There is as I remember something over 11,000 acre-feet of water available if the project is built. Camp Pendleton would be entitled to about 7,000 acre-feet of water.

Senator MURKOWSKI. That is 60 percent?

Commissioner BROADBENT. That is your 60 percent; 40 percent or approximately 4,500 acre-feet would be available to Fallbrook.

Senator MURKOWSKI. OK. Perhaps I could ask General Hatch: That 60 percent, I assume that is substantially more water than you presently have available to you?

General HATCH. That is correct. It would also satisfy the requirements of a mobilization.

Senator MURKOWSKI. Up to maximum capability say of Camp Pendleton?

Mr. Cox. I have some statistics that may help with an answer to the question.

Senator MURKOWSKI. The question I am really looking for an answer is in the event that you have got 60 percent of the water and you don't use it, what will you do with it?

Mr. Cox. We assume that—in fact, we have discussed this with Interior, that the surplus water would be sold.

Basically the 7,000 acre-feet, as Mr. Broadbent has testified, is our share of the estimated 11,500 acre-feet annually that the dams would catch, and we could use.

Currently, we have a base population of 46,000. The maximum population that the current amount of water would support is only about 52,000. With the programed additional facilities that are being planned for Camp Pendleton and additional units that are going there, we believe that the population and activities of the base will use the available existing water resources by 1986.

However, if we were to obtain this 7,000 annual acre-feet, we could easily support the estimated base population in the event of a crisis mobilization of around 90,000.

Senator MURKOWSKI. Commissioner, it is my understanding that the Fallbrook Utility District will contribute about 30 percent payback to the Government for this project over a period of time from the sale of water.

Is there any figures relative to how much additional revenue would be generated as the result of Camp Pendleton not being able to use all the water, at least initially, unless there is a mobilization or some such thing so that we have some idea of what further amortization might result from the sale of the water?

In other words, that 30 percent could conceivably be 40 percent of the total project cost being reimbursed over an amortization. See what I am getting at?

Commissioner BROADBENT. I think we could furnish that better for you for the record, but let me take a stab at it. If there is 7,000

acre-feet and if their needs are adequate right now and they don't grow too much and they won't until 1986, if we had that water and it would be on line, say we have 5,000 acre-feet, it ought to be worth somewhere between $100 and $300 an acre-foot, especially as water gets more critical, and even $100 an acre-foot for 5,000 acre-feet, you are talking about, what?

Senator MURKOWSKI. He whispered $500,000 in my ear.

Commissioner BROADBENT. At $100 an acre-foot it would be $500,000 a year. The water may be worth a lot more than $100 an acre-foot.

Senator MURKOWSKI. The point is for the record that I assume we are developing is that there may be from the sale of this water additional revenues generated through the Fallbrook Utility District back through amortization, an amount greater than 30 percent.

Commissioner BROADBENT. Yes, sir.

Senator MURKOWSKI. And in the discussion which we have had here this morning, we have had consideration of two bills. One is the Dallas Creek project, Senate bill 2568 where we have got substantial increase, double the project cost, over the initial $38 million, and I think in your testimony you indicated that indexed to January 1982, we are talking about a $174 million project.

Commissioner BROADBENT. I think maybe there might have been—the indexed cost of $38 million up to $76 million is for the M&I component of the project.

Senator MURKOWSKI. You are talking about Dallas Creek?

Commissioner BROADBENT. Yes.

Senator MURKOWSKI. The point I want to make here is how firm are these figures for Santa Margarita? We have gone from $96 million in 1975 to $174 million in 1982. The project couldn't be built until when if this bill did go through? What would you estimate would be the earliest date?

Commissioner BROADBENT. 1985, fiscal 1985; maybe a beginning in 1984 with it; certainly in line in 1984. We have escalated that $96 million cost of that up to about $174 million from 1975. Now that is an escalated cost based on construction indices.

We are doing a new feasibility study. Part of that feasibility study would be to update the costs as well as to look at the environmental changes and everything else, and updated cost if you are going to put a ceiling in the bill, we would hope that it would be in the neighborhood of $109 million.

I guess it really depends on—as of today I guess it really depends on how much inflation we have over the next few years as to how much more we have to index it.

Senator MURKOWSKI. Well, I don't know that all these increases are necessarily due to inflation.

Commissioner BROADBENT. No; certainly some if it has been due to our restructure, our new look at dam construction. All we have done is indexed the cost from 1975 to this date, and that has been indexed strictly on the basis of increasing construction costs.

Senator MURKOWSKI. Are we looking at a completion in 1987, if we start in 1984—do you like that?

Commissioner BROADBENT. Closer to 5 or 6 years probably to build it; it depends on the availability of appropriations.

Senator MURKOWSKI. Let's stick to just the relationship. We have taken a project, and if you can assume that the cost is $96 million in 1975, and in 1982 we are up to $174 million, your imagination can run away with you as far as what the costs will be in 1988 or 1989 when it is completed.

Commissioner BROADBENT. Well, Mr. Chairman, I am confident that the recovery program that is instituted by the administration is going to bring inflation down.

Senator MURKOWSKI. I am not worried about inflation. I am worried about some of the costs that seem to befall the Federal projects traditionally. I am not referring necessarily to design, but to——

Commissioner BROADBENT. Mitigation measures?

Senator MURKOWSKI. Yes; just the overall costs once you wind it up as a consequence of environmental requirements, delays, suits, whatever; really I guess all I can expect you to do is nod your head in agreement.

Commissioner BROADBENT. Yes.

Senator MURKOWSKI. This dam would be designed and built by——

Commissioner BROADBENT. Two dams of the Santa Margarita project.

Senator MURKOWSKI. Excuse me.

Commissioner BROADBENT. The dams would be designed under the umbrella of the Bureau of Reclamation. We have a design center in Denver. The designers in Denver would probably do the design although we might contract them out.

Senator MURKOWSKI. The Bureau of Reclamation then would take over the project, design and let the contracts?

Commissioner BROADBENT. Yes, sir.

Senator MURKOWSKI. Can you indicate, Mr. Commissioner, how you would rate this project as far as cost-benefit ratio? We are anticipating spending somewhere probably—I am guessing—in the neighborhood of $230 to $250 million or more. The testimony that has been given this morning indicates that this water basically flows into the Pacific when it is available. You have had about 3 or 4 relatively wet years. Sometimes there is not much water in the general basin.

I assume that there are figures available as to what the historical runoff has been. How does this project rate as a reclamation project?

Commissioner BROADBENT. Well, first of all, I think we in reclamation have a responsibility to the military and I guess they would have to rate for themselves how much they need that water and how necessary it is for Camp Pendleton.

I think probably I would have to rate it personally pretty high. I think that the water situation in northern California in a couple of years is going to become very, very critical. I think you are going to see some tough, tough decisions made in southern California as they have to calculate that limited supply because of the loss of the Colorado River water and the fact that the peripheral canal vote in California did not pass.

Senator MURKOWSKI. Of course, I assume that if it came down to cases, the military would have the first call on that available water.

Commissioner BROADBENT. I would hope so.

Mr. Cox. On 60 percent of it, sir; the court has determined that.

Senator MURKOWSKI. You mean to say under the present circumstances now you can only call on 60 percent of wherever you get your water from?

Mr. Cox. No, sir. It is 60 percent of the project water.

Senator MURKOWSKI. Of this proposal, but my point is if there were an emergency, I assume Camp Pendleton would have a call on their existing source of water at the expense of somebody else in San Diego or whatever?

General HATCH. At the present time, we are 100 percent dependent upon wells.

Senator MURKOWSKI. One-hundred percent dependent on wells?

General HATCH. So that is no problem as far as control right now.

Senator Murkowski. Is the well table dropping?

Mr. Cox. That can become a problem over the years, or if there are other projects which diminish the aquifers. I am not an expert in that area.

Senator MURKOWSKI. I guess it goes back, if you are operating on wells now and you say the wells are relatively adequate, you are not running out of water——

General HATCH. Until 1986.

Senator MURKOWSKI. What happens in 1986?

Mr. Cox. As I mentioned before, in 1986 we estimate that the activites and people at Camp Pendleton will reach the maximum that the existing sources can support, and that is a population of 56,000 personnel. But that is just for the normal peacetime operations of the base and does not accommodate any further peacetime development.

Senator MURKOWSKI. You are projecting an increase between now and then at Camp Pendleton?

Mr. Cox. Right now, as I said, we have 42,000 personnel at the base. By 1986, that will increase up to 56—excuse me. Let me check my notes here. I'm sorry—52, 52,000. There will be a 6,000-person increase, and that will be the maximum we think that the existing water resources can support.

Senator MURKOWSKI. I suppose that is subject to a lot of factors, depending on what level your water maintains?

Mr. Cox. Yes, sir. If we had a couple of dry years——

Senator MURKOWSKI. Wet years or dry years or whatever?

Mr. Cox. Yes, sir.

Commissioner BROADBENT. I think another thing that might be a little tricky, the fact that over a period of years there has been significant flood damage in Camp Pendleton as a result of not having the storage capability to hold that water.

Senator MURKOWSKI. Have the water rights been secured for this project?

Commissioner BROADBENT. Yes, sir.

Senator MURKOWSKI. The litigation?

Commissioner BROADBENT. Is completed.

Senator MURKOWSKI. Pretty well satisfied; from the standpoint of any further delays——

Commissioner BROADBENT. They have been litigated in court, and the Fallbrook Utility District and the Camp Pendleton have entered into a memorandum of understanding which divides the waters. I think that the litigation is complete and that we don't have any problems that would take us into court on water rights.

Senator MURKOWSKI. What is the status of community support for the project, generally speaking?

Mr. Cox. Strong support, sir; Fallbrook has probably worse problems than we have when they lose the access to out-of-State water.

I would like to also add a comment on the earlier question. The litigation relating to the water rights was settled in 1968, but it was settled on the assumption that this project would be built. The basis of the settlement was that the project would be built and that we would share the water resources 60/40. That is a condition of the settlement.

If the project is not built, then we do have a problem of determining what our rights to the water resources are, and that could be a very, very difficult problem, even more difficult than it was back in the sixties if we are at a time of water scarcity in that area.

Senator MURKOWSKI. Are there noticable environmental objections that are associated with this project?

Mr. Cox. Sir, not that we are aware of; I am sure that there are environmental concerns that will have to be met, and if there are any potential negative impacts, they will have to be mitigated, but we are not aware of any strong objections at this time. Are you?

Commissioner BROADBENT. No. Our updated feasibility report will look at the whole environmental process. We are asking Fish and Wildlife to review the endangered species and to update their earlier reports. We don't see anything that would indicate that the project couldn't go ahead.

Senator MURKOWSKI. Within the reservoir areas, I assume that they are currently subject to flooding, so there is a movement in and out from time to time from the standpoint of wildlife displacement.

In the advance testimony of the Fallbrook Utility District it is our understanding they intend to make a contribution of land to be used for the reservoir site.

Does this contribution of several million dollars' worth of land by the local entity fit into the administration's proposed non-Federal sharing for water projects of this kind?

Commissioner BROADBENT. Yes, sir.

Senator MURKOWSKI. Commissioner, could you give the status of some recent Bureau of Reclamation project that perhaps has some comparison to this and tell us where it is and when it was authorized or construction began and what it is coming in at in relationship to the original estimates?

Commissioner BROADBENT. We just opened bids on a dam in Oklahoma, McGee Creek. The bids came in about 31 percent below our estimate, and it is a similar earth-filled, rock dam.

Senator MURKOWSKI. What is that cost about?

Commissioner BROADBENT. It came in at $27 million for the dam structure itself. There are other things, pipelines and other things that have to be built, but the dam was the critical one because we thought it was going to come in substantially higher because of some of the things we have done.

At 1 o'clock today it is my understanding we are opening the bids on Dallas Creek, the second feature, which is the main dam structure of Dallas Creek. It will be interesting to see how that comes in.

About the last year and a half, most of our construction bids have been coming in about 15 to 20 percent below engineer's estimate, and we update our estimate pretty regularly.

Senator MURKOWSKI. How do you explain that? Is the industry hungry?

Commissioner BROADBENT. Industry is hungry. I think that is part of it, and part of it is that we are getting some new advanced technology. We have had some tunneling that has been done with the new advanced technology and some of our other contractors have just been able to move in bigger, better equipment to do the work, and they are making money.

Senator MURKOWSKI. Well, that's an encouraging and a healthy sign. My personal observation is such that I have a great deal of respect and regard for the capability of the agency, the Bureau of Reclamation, as compared to some other Government agencies that are in a similar business from the standpoint of cost application and the experience in the field, and I think that it is encouraging to hear for the record those references to costs because it seems so often we see these projects grow at such a dramatic rate that you wonder about the validity of the original estimates.

Commissioner BROADBENT. On McGee Creek, we thought we were going to have to come back to Congress for an additional cost ceiling authorization and now because of bids we think we will be in under our ceiling, and that is true of several other projects recently.

Senator MURKOWSKI. Is this area by any chance designated as a wetland? Part of it might be?

Mr. Cox. No, sir.

Commissioner BROADBENT. I am sure there will be some habitat features that we will have to take care of.

Mr. Cox. Sir, there are some downstream areas that are beset by floods periodically that might be considered wetlands, but nothing behind the dam I believe is wetland.

Senator MURKOWSKI. I find it kind of ironic because it would appear that within the proposed reservoir area there might be some wetlands which I assume would require a permit from the Corps of Engineers.

In my State of Alaska, 57 percent of the entire State has been classified as wetlands. But I am afraid after spending 2 days in hearing on wetlands I can't give you a definition that anybody would agree on as to what a wetland is. It is a little bit off the subject, but if you are not in it, why don't bother. That is probably the best advice I can give you this morning.

Gentlemen, I want to thank you for your testimony. Mr. Cox, General Hatch and Commissioner Broadbent, I wish you a good day, and thank you.

Mr. Cox. May I make one comment before we close?

Senator MURKOWSKI. Excuse me?

Mr. Cox. Could I make one comment before we close?

Senator MURKOWSKI. Sure.

Mr. Cox. Since we are on the record, I just wanted to make this comment, and that is that there still are some economic features of this project that need to be ironed out, as Mr. Broadbent has testified, and I don't want my silence on these to be interpreted as some acquiesence.

For example, we have not had a chance to review the substitute legislation that the Commissioner proposed in his testimony. In fact, I have not even had a chance to read it yet. Second, the 58 percent figure mentioned in his testimony is 10 percent higher than the 48 percent that was in his prepared statement which was given to us before.

We are not objecting to these things, but I just want to make clear that these are things we have to work out, and we will do our best to do so.

Senator MURKOWSKI. I would suggest, Mr. Cox, that if you can expedite that within the next 2-week period while the record is open——

Mr. Cox. We will begin working on it today.

Commissioner BROADBENT. We would be happy to meet with the Navy at their convenience, Mr. Chairman.

Senator MURKOWSKI. I assume if you gentlemen can't agree, why we will do it for you which we would rather not do.

Commissioner BROADBENT. I don't think we are going to have any trouble agreeing.

Senator MURKOWSKI. OK. Thank you very much, and Commissioner, you have got another one here.

Commissioner BROADBENT. Yes.

Senator MURKOWSKI. Commissioner Broadbent, we will bring up the two private witnesses. You can stay there, and we will call on—you have some time constraint?

Commissioner BROADBENT. Yes, sir.

Senator MURKOWSKI. If you have time constraints——

Commissioner BROADBENT. I can do it now or do it later. I have the morning free.

Senator MURKOWSKI. Let's do Mr. Brooks, attorney representing Tri-County Water Conservation District, and Mr. Harvey Jackson, Director of Tri-County Water Conservancy District, Delta, Colo., with you.

I am advised we skipped over Mr. McDonald, which I apologize for. Mr. McDonald, William McDonald, Director of the Colorado Water Conservation Board, representing the Governor of Colorado—I apologize, Mr. McDonald, and for that we will let you go first and we will call on Mr. Brooks, Mr. Jackson, and finish up with the Commissioner.

STATEMENT OF J. WILLIAM McDONALD, DIRECTOR, COLORADO WATER CONSERVATION BOARD, COLORADO DEPARTMENT OF NATURAL RESOURCES

Mr. McDONALD. Mr. Chairman, my name is Bill McDonald. I am Director of the Colorado Water Conservation Board, and I take pleasure in testifying today on behalf of the Honorable Richard D. Lamm, Governor of Colorado, as well as my Board. We are here to speak to S. 2568 introduced by the Colorado Senator, and in the interests of time I have a written statement which I have submitted to the staff. I would be pleased to summarize that if it could be.

Senator MURKOWSKI. Please do, and your entire statement will be noted in the record.

Mr. McDONALD. Thank you. The Dallas Creek project was authorized as a participating project of the Colorado River Storage Project. That authorization occurred in 1968 followed by the planning activities which led to the completion of the definite plan report of 1976.

The repayment contract between the United States and the Tri-County Water Conservancy District which is the local governmental entity that will be responsible for the project, is the local sponsor, was executed subsequently in January of 1977.

Due to dam safety and design considerations prompted by the unfortunate failure of the Teton Dam in Idaho, the Bureau of Reclamation decided to proceed with construction in two phases on the Dallas Creek project. As a consequence of that phasing, even though the repayment contract had been executed in January of 1977, it was mid-1979, probably 2½ years later, before the design specifications for the first stage of the construction were completed, and it was another 6 to 8 months, the latter part of 1979, before a construction contract was actually awarded, that being nearly 3 years after the repayment contract was negotiated and executed.

Unfortunately, the bureau has lost the better part of yet another year in initiating construction on stage two due to the delays that occurred in 1981 as phase 1 came to an end, and the design specs. for phase 2 were completed. The Commissioner just indicated that it is only this afternoon that we are finally at a point of opening bids on stage two.

I guess, in short, we have had a series of delays, none caused by the Tri-County Water Conservancy District, due to design changes and inflation that have been attendant to those delays that have increased the cost of construction beyond that which could have been reasonably foreseen at the time the repayment contract was executed in January 1977.

To make matters worse, claims have been lodged of about $17 million against the Federal Government with respect to the first stage of construction, and those claims are double the price of the contract itself. I have no doubt that the negotiations between the Bureau and the contractor will substantially reduce and resolve those claims, but it adds to the problems that the Tri-County has been a victim of circumstances that are entirely beyond its control.

With respect to the repayment contract that was executed by Tri-County, it simply provides for freedom from the relative section of the contract in which the contractor hereby agrees to pay all

project costs allocated to M&I use, including interest rate construction, but not more than $38 million. The repayment contract has not obligated Tri-County to renegotiate or make any other adjustment in its contractual obligations should the cost allocable to municipal and industrial water service exceed the $38 million ceiling.

Contrary to what some people say, it is quite clear that ceiling is an absolute fixed number. The $38 million was arrived at by adding 35 percent to what was the original estimated allocated cost of about $28 million, and it was anticipated not unreasonably in 1976 that that 35-percent increase was more than adequate to cover design changes which might occur and the associated inflation.

The Bureau now estimates that it has been previously indicated that the final cost allocable to municipal and industrial supply will be double $38 million. It will be closer to $76 million. About 60 percent of that increase from the originally estimated $38 million to the now estimated $78 million has resulted from construction design changes, state- of-the-art considerations, dam safety changes, and all the associated instrumentation that has gone with that. The remaining 40 percent has been the result of cost increases attributable to inflation that have been incurred because of the delays in construction.

I think it is interesting to note that absent those design changes, the inflation that would have been associated with the normal construction period would have been within the original 35 percent that was provided in the repayment contract to cover future contingencies.

In short, it is the position of the State of Colorado that actions of the Federal Government beyond the control of the Tri-County Water Conservancy District are part of the situation that have led to the cost overruns that have been incurred and that fact, coupled with the absence of renegotiation or other contingency clauses in the repayment contract, we think presents a compelling case for the Tri-County situation.

In short, S. 2568 confirms the Tri-County's obligation shall not exceed $38 million. We would hope that the committee would concur that equity and fairness would demand no less, and passage of this bill to confirm that obligation.

[The prepared statement of Mr. McDonald follows:]

STATEMENT OF J. WILLIAM MCDONALD, DIRECTOR
COLORADO WATER CONSERVATION BOARD

BEFORE THE

WATER AND POWER SUBCOMMITTEE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ON S. 2568

Washington, D.C.
July 20, 1982

Introduction

I am J. William McDonald, Director and Secretary of the Colorado Water Conservation Board. I am testifying on behalf of the Honorable Richard D. Lamm, Governor of Colorado; Mr. D. Monte Pascoe, Executive Director of the Colorado Department of Natural Resources; and the Board itself, which is the state agency charged with the protection, conservation, and management of the water resources of the State of Colorado.

Summary

The State of Colorado supports S. 2568, a bill providing for confirmation of the provisions of the repayment contract for the Dallas Creek participating project of the Colorado River Storage Project. We respectfully urge this subcommittee to act expeditiously and favorably on this bill.

Testimony

The Dallas Creek project was authorized as a participating project of the Colorado River Storage Project by the Colorado River Basin Project Act of 1968 (P.L. 90-537). The definite plan report for the project was completed in November, 1976. Likewise, the repayment contract for the project was approved in late 1976 at an election of the residents of the Tri-County Water Conservancy District (Tri-County), the local governmental entity which will handle the marketing of the project's water. The repayment contract between the United States and Tri-County was executed in January, 1977.

Due to dam safety design considerations prompted by the Teton Dam failure, the Bureau of Reclamation (Bureau) decided to proceed with construction in two phases. As a consequence, even though the repayment contract was executed in January, 1977, it was mid-1979 before final designs and specifications for the

first stage of construction were completed. In turn, the invitation for bids on the first stage was not issued until August, 1979. Further delay was encountered when the Bureau obtained an extention of time for the awarding of the contract from the bidders. As a consequence, a construction contract was not awarded to the successful bidder until December, 1979, nearly three years after the repayment contract was negotiated and executed.

Once initiated, construction on the first stage proceeded on schedule. However, the Bureau has lost the better part of another year in initiating construction on stage two due to delays incurred in 1981 in the preparation of final designs and specifications for the balance of the project.

During all of these delays, none of which were caused by the Tri-County Water Conservancy District, design changes and inflation have increased the cost of construction beyond that which could have been reasonably foreseen at the time the repayment contract was approved in late 1976. To make matters worse, the contractor on stage one has submitted claims totalling nearly $17 million against a contract which in the first place was for only $15 million. While negotiations between the Bureau and the contractor will undoubtedly lead to a substantial reduction in the $17 million of claims, one cannot help but observe that Tri-County is a victim of problems created by others which are entirely beyond its control.

The repayment contract executed by Tri-County provides, in Article 6. c., that:

> The Contractor hereby agrees to pay all project costs allocated to M&I use, including interest during construction, but not more than $38 million. Said obligation limit is the current estimated project cost allocated to M&I use, based on January 1, 1976, price levels and fiscal year 1976 interest rates increased to cover possible changes in the cost of construction, increases in the applicable rate of interest, changes in project works, or changes in the allocation of project water. The estimated cost based on January 1976 price levels and fiscal year 1976 interest rates is $27,966,000. The allocated M&I repayment obligation is based on furnishing 28,100 acre-feet annually of project M&I water and is to be paid with revenues received from project M&I water users and in accordance with sub-article d. hereof. . . .

As can be seen, the repayment contract does not obligate Tri-County to renegotiate, or make any other adjustments in, its contractual obligation should the costs allocable to M&I water supply exceed $38 million. To the contrary, the $38 million figure is an absolute ceiling.

The $38 million ceiling was arrived at by adding 35 percent to the original cost estimate of $27,966,000 in order to cover the anticipated impacts of inflation over the course of construction as originally scheduled in the definite plan report. However, as noted above, the start of construction was delayed by nearly three years by the Bureau of Reclamation, large claims have been lodged by the contractor on stage one, and now the Bureau has lost yet another year in initiating construction on stage two.

As a result of these delays, the Bureau now estimates that the costs allocable to M&I water supply will be approximately $76 million. About 60 percent of the increase from the orginally estimated $28 million to the now estimated $76 million has resulted from changes in construction costs caused by design changes, state of the art considerations, dam safety considerations, and added instrumentation, all of which were unanticipated at the time the repayment contract was negotiated.

The remaining 40 percent of the cost increase is attributable to inflation resulting from delays in construction. Absent this delay, inflation would not have accounted for 40 percent of the increase in allocable costs. Rather, increased costs due to inflation would have been well within the 35 percent increase originally provided for.

In short, it is actions of the federal government, not Tri-County, which have caused the costs of construction allocable to M&I water supply to exceed Tri-County's contractual obligation. This fact, coupled with the absence of a renegotiation clause in the repayment contact, present a compelling case in Tri-County's favor.

S. 2568 gives recognition to the legal and moral obligation which the United States has to the Tri-County Water Conservancy District. Thus, the bill confirms that the portion of the costs of the project allocable to M&I water supply which exceed the $38 million fixed repayment ceiling in the repayment contract shall not be reimbursable. The binding obligations of a contractual committment, let alone equity and fairness, demand that Tri-County's repayment obligation be limited to $38 million.

Senator MURKOWSKI. Thank you very much, Mr. McDonald. Our next witness is Mr. Brooks or Mr. Jackson?

Mr. BROOKS. Mr. Brooks.

Senator MURKOWSKI. We look forward to your testimony. Please proceed.

STATEMENT OF THEODORE L. BROOKS, ATTORNEY, REPRESENTING TRI-COUNTY WATER CONSERVANCY DISTRICT, MONTROSE, COLO.

Mr. BROOKS. Thank you, Mr. Chairman. I wish to thank you for the opportunity to appear before the subcommittee and testify in connection with Senate bill 2568.

Mr. McDonald has given a good deal of the background and information, and for the sake of brevity, I would like to summarize my statement and ask that the written statement be added in the record.

Senator MURKOWSKI. Thank you, Mr. Brooks, and I might add for the record that I believe you have a fan located here—your daughter.

Mr. BROOKS. Yes, that is correct.

Senator MURKOWSKI. We are pleased to see a father and daughter combination, particularly with your daughter in the position where obviously she is of considerable influence I hope.

Mr. BROOKS. Well, believe me, Senator, I hope that she is in such a position.

Senator MURKOWSKI. Thank you, and thank you, Ann.

Mr. BROOKS. The Tri-County Water Conservancy District covers a large area of western Colorado which is not a wetland. It is a very dry area, approximately 1,360 square miles. The district was organized in 1957 for the primary purpose of being the sponsoring agency of the Dallas Creek Project, and second, furnishing domestic water for rural use. It has achieved the objective of furnishing water to, domestic water to rural residents, and of course, is still in process in securing the completion of the Dallas Creek Project.

The project, as Mr. McDonald said, was authorized in 1968. The report was completed in the latter part of 1976. The repayment contract was signed in January of 1977, and things were moving along quite rapidly. At that time, problems commenced arising.

Senator MURKOWSKI. What commenced to arise?

Mr. BROOKS. Problems; the Grand Teton Dam failure, the Bureau took another tack on designing the Dallas Project. It was to be contracted for in one contract, one phase. The Bureau determined that it should be a two-phased project. The plans, designs, were not completed until the middle of 1979, the contract not let for the first phase until the end of 1979, a delay of approximately 3 years from signing the repayment contract.

During this time, inflation and the changes in designs as a result of Grand Teton for safety increased the price of construction to our present Bureau an estimated $126 million for the total project, $76 million of that being for the M&I water, municipal and light industrial water.

It should be noted that according to the Bureau of Reclamation, if the project had been completed as originally designed, taking

into consideration the same delays and inflation, it would still be completed within the maximum ceiling of the repayment contract. That is approximately $76 million for the total project, $38 million for the M&I water.

Bill McDonald has read to you the appropriate portion of the repayment contract which provides an absolute ceiling of $38 million, the estimated costs, the time, the repayment contract, with the cost index and so forth, M&I water was $28 million, with the ceiling of $38 million. There are no provisions in the contract providing for renegotiation or any adjustments of the price of the M&I water above the $38 million.

Now this was no accident. The repayment contract is the subject of negotiations between the Bureau and the district from February of 1974 to November of 1976, again a period of almost 3 years. These negotiations consisted of meetings between the Bureau and the board of directors of the district as well as many informal conferences between representatives of both agencies. I have been an attorney for the conservancy district since 1972, and participated in all these negotiations and am personally familiar with them.

All of the provisions of the contract were carefully considered, and particularly the provisions for the repayment of both the municipal, industrial, and the irrigation water. The district requested the limitation on the M&I water costs for the simple reason that they did not want to enter into an agreement for the cost to be escalated and escalated beyond their control where they had no control over the costs. There were various methods discussed. Percentage increase limitation was discussed. It was considered undesirable.

The district finally asked the Bureau to set a maximum figure. The Bureau picked the figure and the Bureau picked a $38 million figure, and this is a fair figure. It was 35 percent over the cost estimated and indexed at that time. This figure was accepted by the district and was accepted by the electorate. The project repayment contract, the project itself is approved by the electorate by better than a nine to one majority.

Mr. Chairman, in providing an absolute ceiling for reimbursable costs of the M&I water, the Dallas Creek contract is in marked contrast to other repayment contracts for projects authorized for or under construction. Let me mention these other projects, and I trust I am stepping on no toes, but these other projects that are authorized or under construction—we have the Dolores project in Colorado. Article 6.c. of that repayment contract provides that at any time the Secretary of the Interior determines that the M&I obligation costs exceed the specified contract amount, continued construction will be contingent upon the execution of a contract amendment to cover the increased cost.

The repayment contract for the Jensen unit of the Central Utah project in article 5.a. provides that the M&I reimbursable costs shall include the total of the estimated costs plus interest plus inflation plus another figure, and that is 25 percent overall increase for changes in project works.

The repayment contract for the Upalco unit of the Central Utah project in article 7 provides that if costs exceed the estimated

amount, the project will either be modified or the repayment obligation increased.

In the Bonneville unit—let me mention that the Dallas Creek project is a single feature project—one dam, one reservoir. The Bonneville unit of the Central Utah project is a multiworks project including 18 major and 3 minor separate features of works.

Article 4.3. of that contract provides that the Secretary before initiation of construction of 14 of the major features and any of the minor features has the right to require the district to enter into additional agreements prior to the construction of such features. Therefore, if costs were to exceed the contract amount, the Government would have the right to require a new agreement or contract amendment before proceeding.

It should be noted that both parties to this contract, Central Utah Water Conservancy District and the Bureau of Reclamation have accepted this interpretation by proceeding with the negotiations on to the Bonneville Unit contract covering increases in costs.

Let me conclude by saying, as Mr. McDonald has said, it is the position of the Tri-County Water Conservancy District that the United States is legally and morally obligated to comply with the terms and provisions of the repayment contract. Senate bill 2568 confirms this obligation and assures completion of the project without further delays and resulting cost increases.

Thank you.

[The prepared statement of Mr. Brooks follows:]

TESTIMONY OF THEODORE L. BROOKS, ATTORNEY FOR TRI-COUNTY WATER CONSERVANCY DISTRICT, BEFORE THE WATER AND POWER SUBCOMMITTEE OF THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE ON S 2568

July 20, 1982

Dallas Creek Project

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before the Subcommittee and testify on S 2568.

Tri-County Water Conservancy District is a governmental entity, an agency of the State of Colorado and encompasses approximately 1360 square miles within the Colorado Counties of Ouray, Montrose and Delta. The District was organized in 1957 for two primary purposes; to construct and operate a rural domestic water system which now serves approximately 10,000 rural residents, and as the sponsoring agency of the Dallas Creek participating project of the Upper Colorado River Storage Project.

This project had been under consideration by residents of the area and the Bureau of Reclamation for many years and on September 30, 1968 the project was authorized by the Colorado River Basin Project Act. In November, 1976, the Definite Plan Report was completed and also the final negotiation of the repayment contract. In December, 1976, the repayment contract was approved by the electorate of the District and on January 14, 1977, the contract was signed

by the Department of Interior and the District.

In September, 1977, the Commissioner of Reclamation authorized the start of construction. The Bureau, after completion of the Definite Plan Report and execution of the repayment contract, determined to construct the project in two phases, changing the final design and specifications so that they were not completed until mid-1979. Invitations for bids on the first phase were not issued until August, 1979, and the contract was not awarded to the successful bidder until December, 1979, a delay of almost three years after the signing of the repayment contract. As soon as the construction contract was awarded, the contractor commenced work on the first phase, completing it in the spring of this year, 1982.

At the time the repayment contract was signed, the estimated costs allocable to municipal and industrial water supply were $27,966,000, based on 1976 prices and the applicable interest rate. At the present time, the Bureau estimates that the costs allocable to municipal and industrial water supply will be $76,000,000. Approximately 60% of the increase from $28,000,000 to $76,000,000 has resulted from increases in construction costs due to design changes, state of the art consideration, dam safety considerations and added instrumentation, all of which changes were made by the Bureau after completion of the Definite Plan Report and the repayment contract was negotiated, approved and signed. The remaining 40% of the cost increase is attributable to inflation. However, a large part of this cost due to inflation results from Bureau administrative and

design change delays.

It should be noted that, according to the Bureau of Reclamation, the total cost of the project as designed and shown in the Definite Plan Report, as approved and contracted for by the repayment contract and projected to the same level as current costs would now be in the amount of $76,400,000 and the portion of that total cost allocable to m & i water would be approximately $38,000,000, the ceiling amount contained in the repayment contract.

The repayment contract sets forth the obligation of the United States to construct the project and performance by the United States is conditioned only upon the appropriation of funds by Congress. All conditions precedent to construction were fullfilled by the District.

The obligation of the District for the payment of project costs for m & i water is set forth in Article 6.c. of the contract:

> The contractor hereby agrees to pay all project costs allocated to m & i use, including interest during construction, but not more than $38,000,000. Said obligation limit is the current estimated project cost allocated to m & i use, based on January 1, 1976 price levels and fiscal year 1976 interest rates increased to cover possible changes in the cost of construction, increases in the applicable rate of interest, changes in project works, or changes in the allocation of project water. The estimated cost based on January, 1976 price levels and fiscal year 1976 interest rate is $27,966,000. The allocated m & i repayment obligation is based on furnishing 28,100 acre-feet annually of project m & i water, and is to be paid with revenues received from project m & i water users and in accordance with Sub-Article d. hereof.

There are no provisions in the contract providing for renegotiation or any other adjustments should the costs allocable to m & i water exceed $38,000,000. To the contrary, the $38,000,000 figure is an absolute ceiling.

The repayment contract was the subject of negotiations between the Bureau and the District from February, 1974 to November, 1976, a period of almost three years. The negotiations consisted of meetings between the Bureau and the District as well as many informal conferences between representatives of both agencies. All provisions of the contract were considered in the negotiations and in particular the provisions for repayment of both the irrigation water costs and the m & i water repayment obligation. The District requested a limitation on the m & i payment obligation in order to avoid renegotiation at some future date for incurred costs beyond its control. The District realized that due to inflation, increases in the applicable interest rate and possible changes in project works, the allocable costs might very well exceed the Bureau's estimated costs of $28,000,000. A percentage increase was considered but deemed undesirable. The District requested the Bureau to determine a maximum or ceiling amount. The Bureau submitted the figure of $38,000,000, a 35% increase over the total m & i cost and interest estimated at that time. The District accepted the figure, it was incorporated in the repayment contract and the voters approved it.

In providing an absolute ceiling for reimbursable cost of m & i water, the Dallas Creek contract is in marked contrast to other repayment contracts for projects authorized for or under construction.

The repayment contract for the Dolores Project in Article 6.c. provides that at any time the Secretary of the Interior determines that the m & i obligation cost exceeds the specified contract amount, continued construction shall be contingent upon the execution of a contract amendment to cover the increased cost.

The repayment contract for the Jensen Unit of the Central Utah Project in Article 5.a. provides that the m & i reimbursable cost shall include the total of the estimated cost plus interest, plus inflation, and plus an overall 25% increase for changes in the project works.

The repayment contract of the Upalco Unit of the Central Utah Project in Article 7 provides that if costs exceed the estimated amount, the project will either be modified or the repayment obligation increased.

While the Dallas Creek Project is a single feature project, the Bonneville Unit of the Central Utah Project is a multi works project including 18 major and 3 minor separate features or works. Article 4.e. provides that the Secretary of the Interior before the initiation of construction of 14 of the major features and any of the minor features has the right to require the District to enter into additional agreements prior to the construction of such works or

features. Therefore, if costs exceed the contract amount, the government has the right to require a new agreement or contract amendment before proceeding with construction. Both parties to this contract have accepted this interpretation by proceeding with negotiations on an amendment to the contract covering increases in costs.

It is the position of Tri-County Water Conservancy District that the United States is legally and morally obligated to comply with the terms and provisions of the repayment contract. S 2568 confirms this obligation.

Theodore L. Brooks

Senator MURKOWSKI. Thank you, Mr. Brooks. Might I ask at this time, were you involved in negotiation of this contract with the Federal Government?

Mr. BROOKS. Yes, sir.

Senator MURKOWSKI. So you speak as an expert witness?

Mr. BROOKS. No—just knowledge of the negotiations.

Senator MURKOWSKI. I wonder if we have for the Federal Government the individuals present who negotiated the project?

Commissioner BROADBENT. They are all gone.

Senator MURKOWSKI. Do you think that is a fair situation, Mr. Brooks?

Mr. BROOKS. That they are all gone?

Senator MURKOWSKI. That you are the only one that can speak as an expert witness as to really what happened during that negotiation.

Mr. BROOKS. Oh, I think so. I think so.

Senator MURKOWSKI. I think we better conclude your testimony.

Mr. BROOKS. They are still alive, Mr. Chairman. They are still alive.

Senator MURKOWSKI. Well, that's comforting. Maybe we should recess the hearing and go out and get them. All right. We will proceed with Mr. Jackson, and I might remind you that we have some other witnesses and we must conclude the hearing by 5 minutes to 12 because I have to chair the Senate at that time, so with that notice, Mr. Jackson, you may proceed.

[Subsequent to the hearing Mr. Brooks submitted the following:]

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MONTROSE, COLORADO 81402

THEODORE L. BROOKS
RALPH E. MILLER
JOHN A. BROOKS
MARGARET L. CAREY

TELEPHONE
249-4511

July 22, 1982

Honorable
Frank H. Murkowski
Chairman
Water and Power Subcommittee
Senate Committee of Energy and
Natural Resources
United States Senate
Washington, D.C. 25210

Re: Senate Bill 2568 - Dallas Project

Dear Senator Murkowski:

It was a privilege to testify and try to satisfy the Committee inquiry on July 20, 1982. As you were advised, the bid opening for Phase II of the project occurred yesterday, July 21, and followed the recent pattern of stiff competition and below estimate bids.

You ordered that the record remain open for two weeks and we believe it will be of interest to include in that record the bid particulars. I have therefore enclosed a table of the 13 bids showing the amounts, the companies and the geographical spread across the country. It is interesting to note that the engineer's estimate is almost exactly the median bid and that the two low bids are respectively 23% and 20% below that estimate.

The record shows that the Bureau of Reclamation now estimates the total cost of the project at approximately $126,000,000, but if the current low bid is added to what the Bureau has spent on Phase I (depending on claims somewhere between $35,000,000 and $50,000,000) it would appear that this estimate is extremely generous.

Thank you again for your courtesy and cooperation at the hearing.

Yours very truly,

Theodore L. Brooks
Attorney for Tri-County Water
Conservancy District

TLB:hn

BID OPENING

SPECIFICATIONS NO. 4D-C7513

~~NAME~~ Bid	REPRESENTING	ADDRESS
$44,817,430.00	Granite	Watsonville, CA
$46,776,576.00	Ball, Ball, & Brosamer	Dansville, CA
$53,314,013.00	Jasper Construction	Wheatridge, CO
$53,955,584.00	Gilbert-Western	Salt Lake City, UT
$56,163,692.00	R.R. Hensler-Gibbons-Reed	Sun Valley, CA
$57,237,877.00	Dillingham	Pleasanton, CA
$57,769,697.10	Phillips & Jordan	Knoxville, Tenn
$58,992,602.00	Brown & Root	Houston, TX
$59,879,669.50	Holloway	Lixom, Mich
$59,936,761.00	TEER	Duram, NC
$64,090,850.00	Industrial Constructors	Missoula, Mont
$65,864,834.00	Yergin-Western	Albuquerque, NM
$69,546,187.50	Sunmount	Salt Lake City, UT
$57,767,860.00	ENGINEER'S ESTIMATE	

STATEMENT OF HARLEY T. JACKSON, MEMBER, BOARD OF DIRECTORS, TRI-COUNTY WATER CONSERVANCY DISTRICT, DELTA, COLO.

Mr. JACKSON. Mr. Chairman, my name is Harley Jackson, and I do appear here as a member of the board of directors of Tri-County Water Conservancy District.

If I may, my testimony is basically background of the area, the people that live there and the necessity of the project, and if I may, sir, submit my testimony for the record and leave it to you to ask any questions you want?

Senator MURKOWSKI. It will be submitted for the record, and proceed as you will.

Mr. JACKSON. Basically I do have one concern, and my concern is this, that it is my understanding that this project, the cost on this particular project, over 50 percent of it is for administration and engineering, and that is a concern of me as well as a lot of other people in the area whereby private enterprise, if you would go that route, generally 10 percent of in that neighborhood is a good figure for administration and engineering.

I guess the question I have is why these costs are so high.

Senator MURKOWSKI. Have you had a chance to direct that to the Commissioner?

Mr. JACKSON. I don't believe so.

Senator MURKOWSKI. I assume you would appreciate it if the Chair did?

Mr. JACKSON. Yes.

Senator MURKOWSKI. Does that conclude your testimony?

Mr. JACKSON. Yes, sir.

[The prepared statement of Mr. Jackson follows:]

Testimony of Harley T. Jackson on

Senate Bill 2568

before the Water and Power Subcommittee

of the Senate Energy and Natural Resources Committee.

THE DALLAS CREEK PROJECT

July 20, 1982

Mr. Chariman and Members of the Subcommittee, my name is Harley T. Jackson of Delta, Colorado, and I appear here as a member of the Board of Directors of Tri-County Water Conservancy District.

The first phase of construction of the Ridgway Reservoir of the Dallas Creek Project on the Uncompahgre River is completed, and bids on the second phase are scheduled to be opened tomorrow. Below the Ridgway Reservoi lie the cities of Montrose, Olathe, and Delta where approximately 35,000 rural and urban people live, in parts of the three counties of Ouray, Montrose, and Delta.

The Uncompahgre Valley is an isolated area geographically and economically. Freight rates are exceedingly high because the Valley is not on a main rail line, nor is it on or near an interstate highway system. The great distances between farm and market and product and market eat up much of the profit of the farm, mining and industrial producers.

A high percentage of employment is seasonal. Many retired people move out of the cold high mountain towns into the Valley for the remaining years of their lives. The combination of these factors of seasonal employment,

older, low-income people and low profits for the producer create a very low average per capita income, making it virtually impossible for the water user to pay more than the negotiated contract price.

The area that the District serves is arid, with the lower end of the Valley at Delta receiving slightly over four inches of annual percipitation. That is drier than the Mojave Desert, one of the driest spots on earth!

Even so, the Valley produces onion, corn, pinto beans, small grains, hay and a major portion of the apples, pears, sweet and sour cherries in the State of Colorado, in years when the mountain snow pack is good.

Water reservoirs are the blood and soul of the Valley. The District voters in December, 1976, voted 9 to 1 for the repayment contract with the Bureau of Reclamation for the M & I water portion of the reservoir. At that time it was estimated to cost $55.00 per acre foot and not to exceed $84.00 per acre foot for stored water. With an average per capita income of about $7,000, which is $2,500 less than the National average, that is all the water users under the Project can afford.

1977 brought a severe drought. The farms and ranches were cut to 40% of their water. The towns were in a crisis with their own reservoirs empty. It was so critical that you could not fight a fire because of lack of water pressure. The City of Montrose burst main water lines because of air getting into their lines. The City of Delta was forced to rent water from a ditch company, install a powerline, pumps and water lines to pump to their treatment plant. This was done at the expense of the farmers on the ditch who

left fields unirrigated so that everyone could have domestic water. Rural water companies were forced to use highly saline seep water for their systems.

Because of these recurring water shortages the cities, towns and other water entities formed Project 7. Project 7 Water Authority is a $14,000,000 water treatment plant operation and transporter of treated water to the cities of Montrose, Delta, and Olathe, to Tri-County's 2,800 rural taps, and to 2 other domestic water companies. Project 7 Water Authority was made possible by the signing of the repayment contract for the Ridgway Reservoir. The entities of Montrose, Olathe, and Delta have sub-contracted with Tri-County for several thousand acre feet of stored water for their water supply. Tri-County negotiated an exchange agreement with the Uncompahgre Water Users allowing the use of Gunnison Tunnel Water for domestic use in exchange for Ridgway Reservoir Water for irrigation of the farms and ranches in the Valley. Presently the irrigators are cut several thousand acre feet of water yearly because of the water presently diverted for M & I use. The irrigators are beginning to get nervous and wonder if they will ever get their water back under the exchange agreement for Ridgway Reservoir Water.

The people in the Tri-County Water Conservancy District are pioneer stock, hard working, honest individuals who feel that a person's word is his bond. They feel they have an honorable and legally binding contract with the United States Government for the $38,000,000 repayment portion of the Ridgway Reservoir. That $38,000,000 figure, freely chosen by authorized representatives of the United States Government, included a 35% escalation allowance, and both parties should be held to the contract terms.

On behalf of the Tri-County Water Conservancy District, and the residents of the Project area, we respectfully request your approval and support of Senate Bill 2568.

Tri-County Water Conservancy District

Montrose, Colorado

By Harley T. Jackson

Senator MURKOWSKI. Well, we will defer to the Commissioner. Before I ask the question, maybe you would like to make a statement?

Commissioner BROADBENT. Thank you, Mr. Chairman.

STATEMENT OF HON. ROBERT N. BROADBENT, COMMISSIONER, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY KENNETH MAXEY, BUREAU OF RECLAMATION

Commissioner BROADBENT. The proposed bill would relieve the Tri-County Water Conservancy District of the costs necessary to complete the municipal and industrial features of the Dallas Creek project in excess of $38 million.

It is this administration's policy to have all costs associated with providing benefits to municipal and industrial water users repaid by the direct beneficiaries. However, we also recognize that this is a unique situation which may call for a unique solution.

Subsequent to the failure of Teton Dam and the improvement of the design criteria, Ridgway Dam, the main storage feature of the Dallas Creek project, was redesigned for safety features. The redesign, plus inflation, have substantially increased the cost estimated to complete the project. It is unfortunate that the 1977 repayment contract with the district does not contain any provisions for escalating or renegotiating the district's repayment obligation beyond the $38 million in the event that costs exceed repayment coverage.

The fact remains that the existing contract only states the United States will construct the Dallas Creek project and the Tri-County Water Conservancy District will repay a maximum of $38 million toward the cost of furnishing municipal and industrial water facilities.

To my knowledge, this was the basis on which the district electorate approved the repayment contract and construction was initiated.

Hindsight doesn't do us much good now that costs have exceeded the repayment coverage. The question we must ask ourselves is whether the United States should incur the consequences of that 1977 contract and carry out the express terms of the contract, or if the district should be required to absorb cost overruns it didn't expect and specifically wished to avoid. Reclamation law requires us to assure that such costs are recovered.

Mr. Chairman, in conclusion I would like to say that we believe that it is indeed unfortunate that the usual contract requirements allowing for allocation of municipal and industrial cost increases above the original estimates were deleted. The Tri-County Water Conservancy District has pointed out strong equities based on the contract it has executed with the Government, and we believe this is indeed a unique set of circumstances which should not be considered as a precedent for any other situation.

In view of this, the administration does not object to the enactment of S. 2568. The administration and the Bureau of Reclamation will make every effort to avoid repetition of this situation in the future. Let me assure you that we will not sign any contracts

which will not provide for full repayment of municipal and industrial costs in the future.

Mr. Chairman, this concludes my statement, and I would be available to answer any questions.

[The prepared statement of Commissioner Broadbent follows:]

98-495 O—82——5

Statement of Robert N. Broadbent, Commissioner, Bureau of Reclamation of the Department of the Interior, Representing the Department, before the Senate Committee on Energy and Natural Resources, Subcommittee on Water and Power, on S. 2568 to confirm the repayment contract of the Dallas Creek Participating Project of the Upper Colorado River Storage Project.

July 20, 1982

Mr. Chairman and members of the subcommittee, than you for the opportunity to appear today to testify on S. 2568.

The proposed bill would relieve the Tri-County Water Conservancy District of the costs necessary to complete the municipal and industrial features of the Dallas Creek Project in excess of the $38 million repayment obligation now specified in the district's contract with the United States. As of January 1982, we estimate that the municipal and industrial costs of the Dallas Creek Project will be about $76 million. Thus, the result of this bill would be that the municipal beneficiaries of the project would repay about half of the costs allocated to provide them a water supply.

It is this Administration's policy to have all costs associated with providing benefits to municipal and industrial water users repaid by the direct beneficiaries. However, we also recognize that this is a unique situation which may call for a legislative solution.

Subsequent to the failure of Teton Dam and the improvement of design criteria, Ridgway Dam, the main storage feature of the Dallas Creek Project, was redesigned for safety reasons. The redesign, plus inflation, have substantially

increased the estimated cost to complete the project. It is unfortunate that the 1977 repayment contract with the district does not contain any provision for escalating or renegotiating the district's repayment obligation beyond $38 million in the event costs exceed repayment coverage. The fact remains that the existing contract only states the United States will construct the Dallas Creek Project and the Tri-County Water Conservancy District will repay a maximum of $38 million toward the cost of furnishing municipal and industrial water facilities. To my knowledge, this was the basis on which the district's electorate approved the repayment contract and construction was initiated. Hindsight doesn't do us much good now that costs have exceeded repayment coverage. The question we must ask ourselves is whether the United States should incur the consequences of that 1977 contract and carry out express terms of the contract, or if the district should be required to absorb cost overruns it didn't expect, and specificially wished to avoid. Reclamation law requires us to assure such costs are recovered.

Other solutions have been explored to resolve this problem other than remedial legislation. There may be some possibility of marketing a portion of the municipal water supply to a third party such as an industrial customer. Also, the provisions of the Water Supply Act of 1958 allow the deferment of a limited portion of the costs allocated to municipal and industrial water storage if there is a reasonable expectation and a reasonable assurance that the deferred costs eventually would be repaid. However, these latter solutions could well involve a reduction in the available water supply to the district if we could locate other entities willing to repay part of the Dallas Creek Project costs.

Mr. Chairman, members of the subcommittee, in conclusion I would like to say that we believe it is indeed unfortunate that the usual contract requirements allowing for allocation of municipal and industrial cost increases above the original estimates were deleted. The Tri-County Water Conservancy District has pointed out strong equities based on the contract it has executed with the Government and we believe this is indeed a unique set of circumstances which should not be considered as a precedent for any other situation. In view of this, the Administration does not object to the enactment of S. 2568.

The Administration and the Bureau of Reclamation will make every effort to avoid repetition of this situation in the future. Let me assure you that we will not sign any contracts which will not provide for full repayment of municipal and industrial costs in the future.

Mr. Chairman, this concludes my prepared statement. I will be pleased to answer any questions that you or other members of the subcommittee may have.

Senator MURKOWSKI. Thank you, Commissioner. In Senator Armstrong's opening statement which was not read but is in the record, he makes reference to the local water users in western Colorado making a good bargain and they are entitled to enjoy the benefits. The contract is valid and enforceable. Because it is unique, it sets no precedent whatever that might put the Federal Government in a fiscally disadvantaged position.

It obviously is a good bargain for the local water users. You have stated in your testimony, Mr. Commissioner, that it does not set a precedent, but an exception based on—I gather—the failure of Government to negotiate a contract that probably would be negotiated in the private sector based on the realization that we have cost escalations.

Commissioner BROADBENT. That is correct.

Senator MURKOWSKI. Can you explain for the record how your contracts are negotiated and what safeguards you have and what in your opinion happened in 1977 or 1979 because we had cost escalations then, and I am sure most contracts that were initiated involving the Government had some provision for cost escalation?

Commissioner BROADBENT. I think, well, first of all, I would have to say that I think probably the Tri-County Water Conservancy District had good negotiators.

Senator MURKOWSKI. Well, I know. We have already heard from Mr. Brooks. By the same token, we assume that whoever negotiated for the Government could read and think.

Commissioner BROADBENT. We have a policy in the Bureau of Reclamation now that says that the negotiating terms of the contract, the contract is negotiated by regions, and——

Senator MURKOWSKI. Negotiated by what?

Commissioner BROADBENT. By the region, by the Regional Director out in the region, in this case Salt Lake City; when they start to negotiate, they send the terms of the negotiation back to Washington where we are supposed to give policy input into it.

We also send out certain terms of negotiation that must be included. One of the terms of our negotiation is that you have to take care of escalating costs or cost overruns or anything else.

Senator MURKOWSKI. That guideline wasn't in existence then?

Commissioner BROADBENT. No. Well, I don't know if it was or not.

Senator MURKOWSKI. Didn't anybody finally have to approve the contract?

Commissioner BROADBENT. Yes. This contract was recommended for approval by an Assistant Commissioner in Washington. It was approved by the then Assistant Secretary, and it was signed by the Regional Director. It was approved in the last week or two of an administration. I don't know how it happened, candidly. I just don't know how it happened.

Senator MURKOWSKI. In your opinion, are there other projects under your area of responsibility or jurisdiction that are in this same situation where they are theoretically exposed to cost overruns yet they have contracted for a fixed price?

Commissioner BROADBENT. We have looked at all of our existing contracts, and the only one that we have any question about is the Bonneville unit of the central Utah project. It was spoken about by

Mr. Brooks. There is a provision in there that we think takes care of it, and we are negotiating with the central Utah project and their conservancy district, and they haven't brought it up.

Senator MURKOWSKI. Is Mr. Brooks negotiating for that?

Commissioner BROADBENT. No.

Senator MURKOWSKI. That's comforting.

Commissioner BROADBENT. But they have got some hard-headed people that are just about as tough.

Senator MURKOWSKI. Well, I don't know, Mr. Brooks, if we should commend you for taking advantage of the Government——

Mr. BROOKS. Now, Mr. Chairman, may I add another word?

Senator MURKOWSKI [continuing]. Or should increase your taxes.

Mr. BOOKS. They will be increased anyway probably.

Senator MURKOWSKI. That is probably true.

Mr. BROOKS. There is an escalation clause in this contract. The projected costs at the time the contract was entered into were $28 million for the M&I water, and there was a 35-percent cushion placed in the contract. I think it was a fair contract.

Senator MURKOWSKI. If you had been negotiating on behalf of the Government, would you have signed that and approved that contract?

Mr. LOESCH. Don't answer that, counselor.

Mr. BROOKS. Mr. Chairman, we have special counsel assisting us in the Tri-County in this matter, Mr. Harrison Loesch.

Senator MURKOWSKI. I wasn't going to ask that question unless you gave me the opportunity. You gave me the opportunity.

Mr. BROOKS. He has advised me not to answer your question.

Senator MURKOWSKI. It is noted in the record anyway. We will delve through this. I think we can draw our own conclusions on your ability to negotiate with the Government.

There was a question that was proposed by Mr. Jackson that indicated 50 percent of this particular expenditure was for engineering and administration.

Can you explain that to us? First of all, is it true?

Commissioner BROADBENT. Yes. Our costs probably, administrative costs and design engineering costs, are probably if not less, certainly comparable to any other agency of the Government, and I think they are probably less than most of them.

Senator MURKOWSKI. I was hoping you would say that.

Commissioner BROADBENT. And we are, I think we can demonstrate we are looking at that now, and I am sure that Mr. Jackson has the same concerns that we all do.

I would like to say that in the Federal Government we have a lot of constraints put on us that increase costs that aren't suffered by some people in business.

Senator MURKOWSKI. Fifty percent of the project costs are for administration and engineering. In the private sector you get different experts testifying on what their administrative costs are.

Wouldn't it be cheaper for the Government to go out and contract these things?

Commissioner BROADBENT. It might be, and we do that, but the problem is we have got environmental costs today. For any major project, you are looking at probably somewhere around 10 percent just to do your environmental costs. That is part of it. You have

different costs in the Government that you have to live with—if I might, minority contracting, and the list—

Senator MURKOWSKI. Many of these same things now are in the private sector. Your private sector has to deal with environmental impact studies and deal with minority contracting.

Commissioner BROADBENT. I think you would have to add that into theirs. I don't think that you can design a project and get it ready for construction and do all of the things that you have to do in the private sector now for 10 percent.

Senator MURKOWSKI. To your knowledge is 50 percent more——

Commissioner BROADBENT. Fifty percent is too high, and we are doing a study right now to try and lower it.

Senator MURKOWSKI. It is too high. We both agree on that.

Commissioner BROADBENT. It is higher than we would like to have it, let me put it that way.

Senator MURKOWSKI. If that is any comfort to Mr. Jackson I don't know, but I think we would all agree it is too high.

Mr. JACKSON. Mr. Chairman, if I may, I am wondering if block grants to stages or something like that might be more feasible and get more benefit for your money.

Senator MURKOWSKI. Well, of course, with the block grant, the State can do anything they want with it. By the same token, I think you are proposing an expansion that would have theoretically some pretty serious repercussions and would have to be well thought out.

I think that I have had my questions in general answered. I think it would be appropriate for the record to recognize Harrison Loesch, ex-minority counsel for the committee and Assistant Secretary of the Interior.

Mr. LOESCH. Thank you, Mr. Chairman.

Senator MURKOWSKI. We wish you a good day, sir. With that, we would conclude this witness group and thank Mr. Jackson and Mr. Brooks, Mr. McDonald, and of course, our Commissioner Broadbent, and hope that you would reduce your engineering and administrative costs. Good luck.

Commissioner BROADBENT. Thank you.

Senator MURKOWSKI. Now we are going to call the last group of witnesses which are four—Leo McGuire, president, board of directors, Fallbrook Public Utility District, Gordon Tinker, general manger, Fallbrook Public Utility District; L. R. Burzell, general manager, San Diego Water Authority; Mr. James Roberts, past president, San Diego County Farm Bureau; and Mr. Brent Blackwelder, Washington representative of the Environmental Policy Center in Washington.

I recognize that it is a pretty big group, but we are running short on time, and I would appreciate you voluntarily reviewing your statement because I don't want to have to limit you, but I do assure you this committee meeting will adjourn at 5 minutes to 12.

Mr. MCGUIRE. I am Leo McGuire, of Fallbrook Public Utility District. We came prepared for a little longer session.

Do I understand that you would like to cease us by 5 minutes of 12?

Senator MURKOWSKI. That is correct.

Mr. McGUIRE. My part of this would be the history. You do have a copy of the history and the background. I am going to shift completely to the right to Gordon Tinker, general manager, who has really the basic facts on the entire project.

Senator MURKOWSKI. We appreciate that. Mr. Tinker?

STATEMENT OF GORDON TINKER, GENERAL MANAGER, FALLBROOK PUBLIC UTILITY DISTRICT, FALLBROOK, CALIF.

Mr. TINKER. Mr. Chairman, I am going to address four issues—the need for the project, community support for the project, the price of water, and the ability to pay for it, and some specific environmental concerns.

We need to develop our own local source of water, provide water for the continuing import from the Colorado River of northern California. We are one of seven agencies in the San Diego County Water Authority. We are currently using 43 percent of the total county water, yet we only have a legal entitlement to 1 percent. With potential cutoff of these imported supplies in the future, which Mr. Burzell will address, we are going to be the first ones to get hit. We are going to be one of the first agencies in the county, and when water gets cut back, agriculture goes first, and that is our primary concern.

We are an agricultural community, and we wish to stay that way. Storage capacity, particularly in the very fluctuating Santa Margarita River basin, is absolutely essential to get through dry periods. I would like to just enter a few numbers in the record. We currently only have 2½ days' worth of storage. We have been living off of the Colorado River for 40 years with a huge storage basin in the region with 64 million acre-feet.

As imported water shifts more to State water, the State projects only have 5 million acre-feet of storage. One of the primary reasons we need the large storage capacity in this project, the dam in Fallbrook would provide us with at least a 2-year water supply locally. We realized how important that is when in 1977 mud slides on the Colorado Aqueduct shut down our only imported supply at that time. Agricultural meters throughout the north county were cut off. If it had lasted longer than 7 days, we would have seen a number of the high avocado and citrus groves dry up.

Local support—the Bureau of Reclamation held a public hearing in Fallbrook in February. Over 200 people attended and showed an extremely high level of support for the project. I also would like to enter for the record today some resolutions and letters from local community groups, specifically a joint resolution of the State assembly and senate in California, a unanimous resolution of the board of supervisors and the planning group as well as a dozen other civic groups and private individual letters.

Senator MURKOWSKI. They will be entered into the record.[1]

Mr. TINKER. Ability to pay—I would like to talk about that just for a second. We are looking at water that is going to cost us around $238 an acre foot in 1990. That is in terms of today's dollars. Metropolitan water district wholesaler has indicated that im-

[1] See appendix.

ported water is going to cost about $250 an acre-foot in 1990. Project water, imported water, is in the same ball park. One of the things that has impacted us tremendously in California is the ability of moving water from the Colorado River in northern California. We have been dealing with electricity costs that have been in the 3-mils-per-kilowatt-hour range. These contracts expire in 1983 and 1987, and the new costs are going to be in the 25- to 30-mil-per-kilowatt-hour range. That is a significant increase.

The other interesting statistics about the energy to gather water here is that to get over the barrier, you have to lift the water 4,000 feet. To get the water from the Colorado River, you have got to lift it 1,800 feet, an outer reservoir average of 600 feet, so there is also a significant energy saving potential in using a local water source.

In terms of loss of water falling out to the seas, in 1979 117,000 acre-feet was recorded on the Camp Pendleton station. At today's imported costs of $124 an acre-foot, this is equivalent of $14½ million that was wasted in the ocean in that year.

Our district has a history of fiscal conservancy. Our current indebtedness is only $1 million, with an assessed valuation of land and property in excess of $460 million. In the last general obligation bond sale, we had a triple A rating.

There have been some specific environmental issues raised by groups within the county. I have appended to my statement for the record a summary of those issues and our comments on them, and I would like to quickly address three of them.

Senator MURKOWSKI. Please proceed.

Mr. TINKER. Beach said, sand for the beaches along southern California comes both from streams and from erosion of coastal bluffs. One of the statements was that this project would dry up a considerable amount of sand which is necessary to replace these beaches. The only detailed numbers available are out of the 1969 department of water resources study, and it shows that the San Margarita River contributes 14,800 cubic yards per year, whereas the San Luis Rey River contributes 350,000 or 24 times the amount coming from our river.

It is a fact that right now there are over 10 sand mining operations going on on the San Luis Rey River, and no one is raising a hue and cry about where that sand is going. They have said this is the last freeflowing river in San Diego County. In reality, it is either a raging flood or a nearly dry streambed. It has little or no recreational benefits as far as boating and canoeing. The only people that tried that in flood have been picked out of a tree by a Marine helicopter to save their lives.

It is going to significantly increase the fisheries in the area—the State stopped stocking trout in the San Margarita River. This will provide the basis for an excellent fishery program.

There have been two endangered species birds that have been discussed over the last 10 years—the Least Tern which nests at the mouth of the river has been saved from extinction by the outstanding environmental management program conducted at the Marine Corps base, Camp Pendleton, and their management of that area will assure its protection for future generations.

The Bell's Vireo occupies the habitat in the area of the project. The Bell's Vireo is not facing extinction because of the loss of habi-

tat. It is well documented that he is in trouble because of nest parasitism by the brown headed cowbird who comes in, eats the eggs of the Least Tern, lays its own eggs in the nest, and then they are hatched out by the Bell's Vireo.

The habitat anyway during a flood is totally flattened and is no longer there during the spring nesting season. It does come back 6 months later. In fact, one of the interesting things is that that project will actually enhance the habitat and permanently protect the downstream habitat on Camp Pendleton. We also found in Lake Lace a good example about 20 miles south of this where a reservoir has actually shown a habitat to come back within about 2 years around the perimeter of the reservoir, and I would guess that we are looking at a significant increase in the total amount of acres of this kind of habitat when the project is done.

In conclusion, the economics of the project are good. The price is going to compare with that of future imported water, and probably 30 years downstream it will probably be considered cheaper than imported water.

We want to maintain the agricultural community. There is definite energy conservation potential for the project, and there are no environmental issues that we cannot adequately face and reasonably mitigate.

Thank you for your time, Mr. Chairman.

[The prepared statement of Mr. Tinker follows:]

TESTIMONY OF

GORDON TINKER
GENERAL MANAGER
FALLBROOK PUBLIC UTILITY DISTRICT
990 EAST MISSION ROAD
Fallbrook, California 92028
(714) 728-1125

on

S. 2684

SANTA MARGARITA PROJECT

to the

SUBCOMMITTEE ON WATER AND POWER
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON, D.C.

July 20, 1982

Mr. Chairman, I am Gordon Tinker, General Manager and Chief Engineer of the Fallbrook Public Utility District. The basic requirements of the District for the Project are to develop facilities that will exercise our long established rights to local sources of water and provide reserve water storage capacity for imported water.

The District is a member agency of the San Diego County Water Authority (CWA) and, as such, has a preferential right to participate in the water supply available to the Authority, in proportion to all payments made to meet capital costs. When water and pipeline capacity are available, member agencies may purchase water without restriction, however, the District legal entitlement to water supply and pipeline capacity of the Authority is slightly less than 1% of the total. On an annual basis, the District would, thus, be entitled to 8 cubic feet/sec. (cfs), which is less than half the District's annual average water consumption of 17 cfs in recent years. Because of heavy demands in the summer from agricultural customers, the summer peak flow rate is 40 cfs, or approximately 2.4 times the average annual flow. Thus, the District's water requirements during the peak summer periods is five times the current entitlement. In terms of total annual use, the District has been using approximately 4% of the total water imported by the CWA. It has been a long standing policy of both the Metropolitan Water District and the CWA that they would provide water supply and conveyance facilities to meet all of the water requirements of their member agencies. The continuation of this policy, particularly in drought periods, may be jeopardized by any or all of the following:

(a) Uncertainty and lack of any plans for future State WAter Project facilities, particularly in light of recent voter rejection of the Peripheral Canal and other planned projects.

(b) 60% reduction in water availability from the Colorado River due to commitments to the Central Arizona Project starting in 1985.

(c) Further reductions in Colorado River supplies due to increased rights won by Indian tribes.

(d) Litigation and legislative efforts to eliminate or curtail the water supply of the City of Los Angeles from the Owens Valley area.

The availability of a supplemental local water source from the Santa Margarita River is becoming increasingly important to the District's capability to meet all water demands.

The lack of local water storage capacity has been a matter of major concern to the District for many years. The combined storage capacity of the District is approximately 90 million gallons. Average daily consumption is 12 million gallons per day and consumption during peak periods reaches 30 million gallons per day. Thus, reserve capacity on the average day is equivalent to an 8 day supply and during the summer, the reserve capability would be exhausted in 3 days. The Fallbrook Dam and Reservoir, as proposed in the Santa Margarita Project, would have a total storage capacity of 36,500 acre feet of water. Since the present annual water requirement of the District is approximately 15,000 A.F., the potential two year water supply in the reservoir could enable the District to meet any emergency requirements that would be generated by drought or by any failure of imported water delivery facilities that might occur anywhere in the State.

Local water users became very aware of the implications of the failure of water delivery facilities with the emergency shut-down that Metropolitan made in September 1977, due to the blockage of the Colorado River Canal by a land slide in the Desert Center area. Fortunately, the local curtailment of water for agricultural use lasted only a few days, but it was very apparent to the agricultural interests of the area, that a prolonged curtailment would have had a devastating long term economic effect on the community.

The project has a very high degree of local support much of which has been renewed by the Farm Bureau and their concerns for both the future availability of water and the grossly inadequate amount of local water storage capacity. The following organizations have indicated support for the Santa Margarita Project by resolution, letters, and other actions, and I submit these for the record today:

Joint Resolution from the State of California

Resolution from the San Diego County Board of Supervisors

Fallbrook Citizens Planning Group

Fallbrook Chamber of Commerce

Avocado Growers Bargaining Council

Fallbrook Board of Realtors

Senior Citizens Service Club, Inc.

De Luz Heights Municipal Water District

Santa Margarita San Luis Rey Watershed Planning Agency

Effect of the Santa Margarita Project on the Enviroment-M. S. Dunlap

Administrator Fallbrook Hospital

San Diego County Employees' Association

Fallbrook Republican Women's Club, Federated

The Rotary Club of Fallbrook

Soroptimist International of Fallbrook

Fallbrook Lions Club

Fallbrook Historical Society

Pala Mesa Village Homes Association

Numerous letters from individuals
Petitions

In addition to the above formal actions, many individuals have written personal letters to their elected representatives in the U. S. Congress and the State Legislature urging their support of the Project and the enactment of legislation for its authorization and construction.

The financial obligations of the District in connection with the Project consist of repayment of certain Project costs attributable to the benefits the District will receive. These consist of purchasing water from the Project in lieu of purchasing imported water, water regulation costs for storage and amortization of the cost of recreational facilities. Water costs would be based on repayment of the investment costs by a contractual arrangement with the Bureau of Reclamation covering a 50 year period. On Table 11 of the 1975 Addendum to the Project Feasibility Report, the estimated water cost to cover loan repayment and annual OM&R costs, was estimated to be $140 per acre foot over the 50 year period of the contract. In 1982 dollars, this would become $238/acre foot. Projected imported water costs from MWD in 1990 (expressed in 1982 dollars) are $255/acre foot. The large increases for imported water are due to renegotiated power contracts which expire on the State Water Project in 1983 and on the Colorado River in 1987. Electricity contracts will see rates increase from the 1.5-2 mil/kwh range to 20-30 mil/kwh/range. It can only be concluded that the Santa Margarita Project will be a highly economical source of local water for the next 50 years, particularly in light of the unknown costs of development of future northern California projects and pumping costs to get the water here. The reservoir land owned by the District would be made available as an up-front contribution and lower the repayment requirements for the regulation storage benefits. Remaining repayment under this item would come from property assessments or water sales. Recreational benefits would be repayed by user fees.

During its more than 50 years of existence, the District has continually operated on a very fiscally conservative basis. The current bonded indebtedness of the District is approximately $1 million and the assessed value of land and improvements within the confines of the District is currently over $460 million, and despite the assessment limitations imposed by Proposition 13, the assessed value of the District increased 23% in 1979-80 and 15% in 1980-81. Thus, the assumption of a $50 million contractual arrangement to be paid over a 50 year period would not appear to be financially unrealistic. In January, 1979, the District sold a bond issue of one million dollars and in so doing published a prospectus that received very favorable consideration from the private financing world. The bonds not only sold at a very favorable interest rate, but they also received a AAA rating.

As a related matter of economic interest to the District and its water consumers, the cash value of water in the Santa Margarita River passing Fallbrook and discharging to the ocean should be taken into consideration. In accordance with the records compiled by the U. S. Geological Survey, the flow in the River at Fallbrook in 1968-69 was 72,270 A.F. and at Camp Pendleton, a total of 116,800 A.F. was recorded. At current rates of imported raw water of $124/A.F., this translates into $8,961,480 flowing past Fallbrook and $14,483,200 flowing through Camp Pendleton in one season.

Of equal significance with the economic aspects of the Project, is the energy saving potential for making full utilization of local water supplies in lieu of importing water. The State Department of Water Resources is concerned about the availability of electric power, regardless of cost, to move water from Northern California to Southern California after the expiration of its present power contracts in 1983. To place the energy requirements for delivery of water to this area in prespective, the following indicates the relative magnitude of the heights to which water must be pumped to be used locally. State Project water, 4,000 feet; Colorado River water, 1,800 feet; and from the proposed Fallbrook Reservoir, 600 feet. Thus, regardless of any other economic aspects of the Project, the energy conservation potential for using local water in lieu of imported water would appear to be very significant.

In view of the interdependence of water, the preservation of the agricultural economy of the area, and the protection of capital investments, one could, if philosophically inclined in considering the cost of water, examine the alternative of the cost of not having water. It is not difficult to ration-

alize that this latter alternative might well have a devasting impact on the economy of the entire area.

Since the release of the Santa Margarita Project Feasibility Report approximately 10 years ago, it has been subjected to many reviews and comments by Government agencies, concerned citizens, and special interest groups including Sierra Club, Friends of the Earth, Friends of the River, Mountain Defense League, Citizens Coordinate for Century 3, California Native Plant Society, and the Audubon Society. The comments of the special interest groups have been general in nature and not based on any particular bit of factual data. Since the purpose of their comments would appear to be one of generating public opposition to the construction of project facilities, an attempt has been made to summarize data and comments that could be useful in responding to the claims that have been and will continue to be made by those who are opposed to construction of such facilities.

The following topics have been discussed at public hearings and by reviewing agencies concerning the Santa Margarita Project. Detailed review of each of these topics is appended to my report for the record.

I. Beach Sand

II. Free Flowing River

III. Migratory Birds

A. Bells Vireo
B. Waterfowl in general

IV. Growth Inducement

V. Benefit of the Affluent

VI. Recreational Activities

VIII. Water Conservation

IX. Water Reclamation

X. Non-Structural Alternative

I would like to briefly discuss the first three items that have been of recent concern.

The City of Oceanside has had beach erosion problems for years and the Corps of Engineers has been actively studying solutions to the problem. I understand there is a project in their 1983 construction program to finally accomplish this. The relative mixture of stream delivered sand and that from erosion of beach

front bluffs has never been resolved. At any rate, the State of California produced a report which is included in the 1976 Environmental Statement on this subject that shows the Santa Margarita River as only contributing an average of 14,800 cy per year, whereas the San Luis Rey River contributes 351,500 cy per year, or more than 20 times that of the Santa Margarita River. Extensive commercial sand mining operations have been in existence on the San Luis Rey River and continue unabated today with no hue and cry from the public as to their detrimental effect on the beaches. Because of the recorded historical nature of flows in the Santa Margarita River, it is highly doubtful that construction of this project will have any measurable impact on beach problems which have existed for many years without the project.

The Santa Margarita River has been referred to as the last free flowing river in San Diego County. In reality, it has been a raging flood or a nearly dry stream bed and its value as a recreational or esthetic asset is marginal at best. Fishing has been curtailed over the years as the State Department of Fish and Game found that trout had a very difficult time surviving due to a lack of pools in which to live. Trout plants have fallen from 2600 in 1978 to 400 in 1980 and zero in 1981. Creation of two reservoirs with a put and take trout program coupled with development of a permanent self-sustaining warm water fishery is a significant improvement in the recreational fishing of the region.

Two species of migratory endangered birds have been brought up as threatened by the project. The Least Tern nests at the mouth of the River at Camp Pendleton and has been protected by the highly successful Natural Resources program at the Base. Not only has the Marine Base saved the bird from extinction, but by careful management of their ground water basin, they have assured its future with or without the project. The Bell's Vireo is a migratory bird, not yet accepted on the endangered species list, which nests in the dense willow habitat in the river basin. The primary reason the bird is endangered is due to nest parasitism by the brown headed cowbird and not because of loss of habitat. At any rate, when the river floods, this habitat is totally flattened and eliminated for the next nesting season. With the reservoirs providing flood control protection, the downstream habitat will be protected and the bird's breeding areas permanently enhanced. It has been the experience in San Diego County, that this same type of habitat will reappear around the perimeter of the lakes within 2 years of filling. It is also noted in the documents appended to my report by a retired U. S. Fish and Wildlife Service biologist, that we should experience a significant increase in

migratory birds, such as ducks and geese, stopping on the lakes during their annual movements along the Pacific flyway.

In summary, the need for the Project facilities to provide a supplemental local water source and emergency storage capability is becoming increasingly important due to possible future water supply curtailments and the lack of a reserve water source to protect the continually increasing agricultural investment in the community.

There is a very demonstratable degree of local support for the Project. The economics of the Project are as good or better than future imported water costs. There is no indication that the agricultural water requirements of the District will diminish in the foreseeable future. Regardless of the other economic aspects of the Project, there is a very definite energy conservation potential in the use of local water in lieu of imported water. The environmental issues surrounding the project can be reasonably mitigated with no significant long lasting impairment to the region. I am confident that the current effort underway by the Bureau of Reclamation to update the economic and environmental aspects of the Feasibility Report will show the benefit-cost ratio equal to or better than before. I urge your speedy favorable action on S2684 so that final planning and design can begin on this project that is so vital to the well being of our District and the Marine Corps.

ENVIRONMENTAL AND OTHER CONCERNS OF THE SANTA MARGARITA PROJECT

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The following topics have been discussed at public hearings and by reviewing agencies concerning the Santa Margarita Project. A section discussing each of these topics is appended.

I. Beach Sand

II. Free Flowing River

III. Migratory Birds

- A. Bells Vireo
- B. Waterfowl in general

IV. Growth Inducement

V. Benefit of the Affluent

VI. Indian Water Rights

VII. Recreational Activities

VIII. Water Conservation

IX. Water Reclamation

X. Non-Structural Alternative

Compiled for Fallbrook Public Utility District

by

WILLIAM S. RALSTON

February 1981

I. Beach Sand Impact

During the past two years, articles have appeared in the local press regarding the impact that the Santa Margarita Project facilities will have on the delivery of sand to the beaches in the Dana Point to Scripps Canyon sectors. A Dr. Inman of Scripps Institute is reportedly making a study in conjunction with Cal Tech representatives and that a report entitled "Sediment Management for Southern California Mountains, Coastal Plains, and Shore Line" will be published! To date, this report has not been published and no information is ascertainable on when it will be released. One of the more startling and debatable statements which the press quotes from Dr. Inman is that "The Santa Margarita River provides 10 to 20% of the sand and gravel for the 86 kilometer cell stretching from Dana Pt. to Scripps Canyon".

Since the report of this study is not available, the basis of the calculation to reach the above conclusion is not known. As a factual matter, however, in most years, the Santa Margarita River does not flow into the ocean, but terminates in a slough created by a sand bar between it and the ocean. During periods of peak flow, this sand bar is temporarily breached by flood flows and water flows directly to the ocean. In recent years, this has occurred in water years 1968, 1978, and 1979, thus, three times in twelve years. The delivery of sand and gravel in the quantities cited above would, thus, appear to be impossible. Any breach of the sand bar is quickly resealed by littoral sand movement.

CWR Memorandum Report, July 1969 - "Interim Report on Study of Beach Nourishment Along the California Coastline", indicates that the annual production of sedimentary materials from the Santa Margarita River is very low when compared to that of other Southern California coastal streams. It is estimated that the total sand-size sediment production by the Santa Margarita River averages less than 4% of the total produced by the principal streams along the Capistrano-Oceanside coastline.

Copies of photos of the Santa Margarita Lagoon showing the sand bar blocking direct flow to the ocean are attached.

As a matter of general information, the subject of littoral drift is a complex one as it is affected by many factors such as tidal action, storms, and man made structures changing or interfering with tidal flows. Since littoral drift changes from month to month during the year and from year to year depending on the variables cited above, any study must be conducted on a continuing basis over a period of years to provide conclusive data on the beach sand replenishment problem. There is no record of any such continuous studies being conducted.

Without the Santa Margarita Project facilities, there are certain beach sand problems existing along the coast which, so far, have defied resolution. In view of the insignificant sand sediment production of the Santa Margarita River, there is no conclusive data which would indicate that the Santa Margarita River project facilities would have any significant effect on the resolution of the existing beach problems.

Santa Margarita Lagoon looking westerly across the mouth of the river toward the ocean. The sand bar closing the outlet to the ocean can be seen across the top of the photo.

Bureau of Reclamation Photo P535-300-12564

II. Free Flowing River

Several groups, such as the Sierra Club and Friends of the River, have contended that the Santa Margarita River is the last free flowing river in San Diego County and thus should be preserved in its current undeveloped state. A definition of free-flowing has not been given by these groups, however, it is presumed that it refers to continuous flow and flows of sufficient magnitude to support some useful or recreational activity such as fishing, canoeing, rafting, etc.

Annually, the U. S. Geological Survey, in cooperation with the California Department of Water Resources, publishes a report entitled "Water Resources Data for California Water Year _____". To access the rate and volume of flow, a record of data for the gauging station located approximately 1 mile south of the proposed dam for a dry year (water year 1976) and a wet year (water year 1978) is attached. It will be noted, that a great variation in flow occurs, however, during several months of the year, there is an insignificant or zero flow. Thus, the River, in its present status, cannot be inhabited by fish or used for other recreational pursuits and, thus, could hardly be considered a free-flowing river.

282

SANTA MARGARITA RIVER BASIN

11044500 SANTA MARGARITA RIVER NEAR FALLBROOK, CA

LOCATION.--Lat 33°23'54", long 117°15'44", in NE¼SE¼NE¼ sec.14, T.9 S., R.4 W., San Diego County, on right bank 140 ft (55 m) upstream from De Luz Road, 1.3 mi (2.1 km) northwest of Fallbrook, and 1.9 mi (3.1 km) downstream from Sandia Canyon.

DRAINAGE AREA.--644 mi² (1,668 km²).

WATER-DISCHARGE RECORDS

PERIOD OF RECORD.--October 1924 to current year. Monthly discharge only for October and November 1924, published in WSP 1315-B.

REVISED RECORDS.--WDR CA-72-1: 1971.

GAGE.--Water-stage recorder. Concrete-road control since October 1955. Datum of gage is 207.96 ft (81.674 m) National Geodetic Vertical Datum of 1929 (levels by Bureau of Reclamation). Prior to Oct. 1, 1955, at site 1.7 mi (2.7 km) upstream at different datum. Records equivalent except for extreme low flows.

REMARKS.--Records good except those for periods Oct. 1 to Nov. 14 and Mar. 2 to Sept. 30, which are poor. Flow partly regulated since November 1948 by Vail Lake (station 11042500). Several small diversions above station for irrigation. The Fallbrook Public Utility District reports no water pumped during the current year from a well in the streambed 2.1 mi (3.4 km) upstream from the station.

AVERAGE DISCHARGE.--24 years (water years 1925-48), unregulated, 35.4 ft³/s (1.003 m³/s), 25,630 acre-ft/yr (31.6 hm³/yr); 30 years (water years 1949-78), 15.2 ft³/s (0.430 m³/s), 11,010 acre-ft/yr (13.6 hm³/yr).

EXTREMES FOR PERIOD OF RECORD.--Maximum discharge, 33,100 ft³/s (937 m³/s) Feb. 16, 1927, gage height, 15.6 ft (4.75 m), site and datum then in use, from rating curve extended above 8,800 ft³/s (249 m³/s) on basis of slope-area measurement of maximum flow; no flow at times in recent years.

EXTREMES FOR CURRENT YEAR.--Maximum discharge, 22,000 ft³/s (623 m³/s) Mar. 1, gage height, 14.55 ft (4.435 m) from floodmark; minimum daily, 0.40 ft³/s (0.011 m³/s) Oct. 1-4.

DISCHARGE, IN CUBIC FEET PER SECOND, WATER YEAR OCTOBER 1977 TO SEPTEMBER 1978
MEAN VALUES

DAY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
1	.40	1.2	1.8	6.6	44	5400	290	39	25	16	9.8	6.5
2	.40	1.2	1.8	6.2	37	2900	180	37	24	13	9.8	6.5
3	.40	1.2	1.7	6.2	33	930	85	36	24	13	9.8	6.5
4	.40	1.2	1.7	332	30	3000	80	35	23	13	9.5	6.5
5	.42	1.2	1.8	1440	33	2500	75	34	23	12	9.5	6.0
6	.45	1.3	2.0	384	63	600	70	33	22	9.9	10	20
7	.45	1.4	2.0	49	95	330	180	33	22	9.8	13	16
8	.48	1.3	2.2	27	194	280	100	31	17	9.8	9.8	13
9	.48	1.2	2.2	31	804	260	80	30	11	9.8	9.8	11
10	.48	1.3	2.3	2980	3480	220	75	29	11	9.8	9.7	10
11	.50	1.2	2.2	291	681	180	60	30	11	9.6	9.8	9.8
12	.55	1.2	2.4	73	377	280	95	31	11	9.8	9.8	10
13	.55	1.3	2.3	60	1990	200	60	30	12	7.8	9.8	10
14	.65	1.3	2.5	87	580	125	60	30	12	7.8	9.8	10
15	.70	1.3	3.0	1970	290	95	59	29	12	7.8	9.8	10
16	.80	1.1	2.8	716	220	85	125	29	14	7.8	9.8	10
17	.90	1.1	2.1	1710	200	70	102	29	12	7.8	9.8	10
18	1.0	1.0	3.3	198	171	60	86	28	11	6.8	9.8	9.5
19	1.1	1.7	3.7	1170	137	95	70	27	11	6.8	6.5	9.0
20	1.2	1.8	2.8	996	118	90	70	27	11	6.8	3.9	8.5
21	1.4	1.8	2.5	178	107	70	67	27	11	9.8	9.8	8.5
22	1.6	2.5	2.5	116	90	130	63	27	11	9.8	9.8	8.5
23	1.6	1.7	3.1	87	91	100	60	27	11	9.8	9.8	8.5
24	1.3	1.7	3.2	67	84	80	56	28	11	9.8	9.8	8.5
25	1.2	2.0	3.3	50	70	70	48	28	11	9.8	9.8	8.5
26	1.2	2.6	9.0	96	73	60	46	28	12	9.8	9.8	8.5
27	1.3	3.1	26	67	71	56	40	28	12	9.8	9.8	8.5
28	1.2	2.6	25	42	232	48	39	28	12	9.8	9.8	8.5
29	1.2	1.8	31	30	----	48	39	28	13	9.8	9.8	8.5
30	1.3	1.6	13	36	----	48	39	28	13	9.8	6.8	8.5
31	1.3	----	8.1	40	----	256	----	27	14	9.8	6.8	9.0
TOTAL	26.68	46.7	173.3	11824.0	10479	17468	2313	933	438	339.0	181.7	287.0
MEAN	.86	1.56	5.59	381	374	563	77.1	30.1	14.6	7.71	5.86	9.57
MAX	1.6	3.1	31	2980	3480	5400	290	39	25	16	13	20
MIN	.40	1.1	1.5	6.2	30	48	39	25	11	9.8	3.9	6.0
AC-FT	53	93	344	23450	20780	34640	4590	1850	869	672	360	569

CAL YR 1977 TOTAL 1977.30 MEAN 6.32 MAX 211 MIN 0 AC-FT 2130
WTR YR 1978 TOTAL 44482.30 MEAN 122 MAX 5400 MIN .40 AC-FT 88270

WATER YEAR 1978
WET YEAR

310 SANTA MARGARITA RIVER BASIN

11044300 SANTA MARGARITA RIVER NEAR FALLBROOK, CA

LOCATION.--Lat 33°23'54", long 117°15'44", in NE¼NW¼ sec.14, T.9 S., R.4 W., San Diego County, on right bank 180 ft (55 m) upstream from De Luz Road, 1.3 mi (2.1 km) northwest of Fallbrook, and 1.9 mi (3.1 km) downstream from Sandia Canyon.

DRAINAGE AREA.--644 mi² (1,668 km²).

WATER-DISCHARGE RECORDS

PERIOD OF RECORD.--October 1924 to current year. Monthly discharge only for October and November 1924, published in WSP 1315-B.

REVISED RECORDS.--WDR CA-72-1: 1971.

GAGE.--Water-stage recorder. Concrete-road control since October 1955. Datum of gage is 267.96 ft (81.674 m) above mean sea level (levels by Bureau of Reclamation). Prior to Oct. 1, 1955, at site 1.7 mi (2.7 km) upstream at different datum. Records equivalent except for extreme low flows.

REMARKS.--Records good. Flow partly regulated since November 1948 by Vail Lake (station 11042500). Several small diversions above station for irrigation. The Fallbrook Public Utility District reports no water pumped during the current year from a well in the streambed 2.1 mi (3.4 km) upstream from the station.

AVERAGE DISCHARGE.--24 years (water years 1925-48), unregulated, 35.4 ft³/s (1.003 m³/s), 25,630 acre-ft/yr (31.6 hm³/yr); 28 years (water years 1949-76), 11.8 ft³/s (0.334 m³/s), 8,550 acre-ft/yr (10.5 hm³/yr).

EXTREMES FOR PERIOD OF RECORD.--Maximum discharge, 35,100 ft³/s (937 m³/s) Feb. 16, 1927, gage height, 15.6 ft (4.75 m), site and datum then in use, from rating curve extended above 8,800 ft³/s (249 m³/s) on basis of slope-area measurement of maximum flow; no flow at times in recent years.

EXTREMES FOR CURRENT YEAR.--Maximum discharge, 213 ft³/s (6.01 m³/s) Feb. 9, gage height, 6.03 ft (1.838 m); no flow Oct. 1-8, June 27 to July 15, Aug. 5 to Sept. 7.

DISCHARGE, IN CUBIC FEET PER SECOND, WATER YEAR OCTOBER 1975 TO SEPTEMBER 1976
MEAN VALUES

DAY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
1	0	1.2	3.0	2.9	3.6	25	4.3	3.0	2.0	0	.10	0
2	0	1.2	2.5	2.6	3.4	55	4.4	3.1	1.8	0	.14	0
3	0	1.3	2.4	2.6	4.1	107	4.4	3.5	1.8	0	.09	0
4	0	1.3	2.8	2.9	6.4	31	9.1	3.3	1.7	0	.08	0
5	0	1.3	2.5	3.0	9.8	15	6.6	3.1	1.8	0	0	0
6	0	1.3	2.5	3.1	10	11	5.0	3.2	1.4	0	0	0
7	0	1.3	2.5	3.0	19	9.4	5.5	3.7	1.4	0	0	0
8	0	1.5	2.3	3.0	21	6.5	4.9	3.7	1.4	0	0	0
9	.01	1.5	2.3	3.0	109	6.5	4.9	3.3	1.3	0	0	.06
10	.21	1.8	2.4	3.0	101	6.2	4.6	2.9	2.0	0	0	.10
11	.34	1.5	2.5	3.0	26	7.6	4.4	2.6	2.0	0	0	1.8
12	.52	1.2	2.8	2.9	15	7.2	4.4	2.5	1.6	0	0	321
13	.57	1.0	3.3	2.9	12	6.7	4.4	2.5	1.6	0	0	60
14	.49	1.0	3.1	2.9	9.4	6.5	4.3	2.3	1.6	0	0	9.4
15	.40	1.1	2.8	2.8	8.8	6.4	4.6	2.2	1.1	0	0	7.9
16	.38	1.4	2.7	2.8	8.6	6.2	9.4	2.2	1.0	0	0	6.4
17	.40	1.5	2.5	3.0	10	6.0	6.3	2.2	.83	.04	0	5.1
18	.57	1.7	2.7	4.5	8.9	6.0	6.3	2.1	.71	.23	0	4.0
19	.84	1.7	2.7	3.8	7.6	5.8	5.3	2.0	.87	.33	0	3.6
20	.92	1.7	3.0	2.9	6.7	5.7	4.7	2.0	.91	.31	0	3.2
21	.92	1.8	3.5	2.4	6.0	5.6	4.1	2.1	.61	.26	0	3.2
22	1.0	1.8	3.3	2.5	5.7	5.2	4.0	1.9	.36	.16	0	3.1
23	1.0	1.7	3.1	2.5	5.4	5.0	4.2	1.9	.30	.13	0	2.8
24	1.0	1.5	3.1	3.0	5.4	5.1	4.1	1.8	.22	.13	0	2.7
25	1.0	1.5	3.1	2.9	9.1	5.1	4.2	1.7	.11	.11	0	2.8
26	1.0	1.6	3.0	2.8	9.1	4.9	3.8	1.6	.06	.12	0	3.1
27	1.1	1.9	3.0	2.8	9.1	4.8	3.7	1.8	0	.41	0	3.2
28	1.1	2.2	2.9	3.0	9.1	9.1	3.9	2.2	0	.41	0	2.8
29	1.1	4.9	2.8	3.2	9.0	4.9	3.4	2.5	0	.26	0	2.4
30	1.2	4.0	2.8	3.2	---	4.8	3.1	2.6	0	.10	0	2.1
31	1.2	---	2.9	3.1	---	4.3	---	2.2	---	.22	0	2.0
TOTAL	17.28	51.1	86.8	92.6	931.0	396.8	149.1	77.6	27.99	3.20	.67	461.96
MEAN	.56	1.70	2.79	2.99	18.3	12.8	4.97	2.50	.93	.11	.015	15.4
MAX	1.2	4.9	3.5	4.5	109	107	9.4	3.7	2.0	.41	.14	321
MIN	0	1.0	2.3	2.4	3.6	4.3	3.1	1.6	0	0	0	0
AC-FT	34	101	172	184	1660	786	296	154	56	6.3	.9	916

CAL YR 1975 TOTAL 1366.49 MEAN 3.74 MAX 93 MIN 0 AC-FT 2710
WTR YR 1976 TOTAL 1895.86 MEAN 5.18 MAX 321 MIN 0 AC-FT 3760

WATER YEAR 1976
DRY YEAR

III. Migratory Birds

A. Bell's Vireo

On February 3, 1980, the U. S. Fish and Wild Life Service accepted a petition to consider the California, Nevada, Utah, Arizona, and N.W. Mexico populations of the Bell's Vireo as Endangered or Threatened Species in accordance with the Endangered Species Act of 1973.

In the summer of 1980, a survey was made on the streams of Camp Pendleton to determine the presence of the Bell's Vireo. During this study, 15 pairs were located in thick riparian growth with dense understory vegetation. This study concluded that the major factor responsible for the decline of the Least Bell's Vireos in California was probably the nest parasitism of the Brownheaded Cowbirds, which were observed in all areas containing suitable nesting habitat for Vireos. The study indicates that all of the Vireos which were observed were downstream from the proposed DeLuz Dam on Camp Pendleton. Thus, this facility would not disturb any of the existing nesting areas.

In the September 13, 1979, edition of the Enterprise, Mr. Arthur Halloran, a retired official of the U. S. Fish and Wildlife Service, wrote a very comprehensive article on the Bell's Vireo. Since this bird prefers willow regions for their summer nesting activity, the presence of such growth is essential to the survival of this species. With the development of a shore line resulting from the Santa Margarita Reservoir, there obviously would be an opportunity for growth of willows, which are dependent on damp ground for rapid growth. This growth would be much greater than now occurring in the river bottom and be a more stable nesting area as the present willow growth on the site of the Fallbrook Reservoir is subjected to destruction periodically from flood flows. Following the floods of 1978 and 1979, all of the underlying growth and at least 75% of the willows were removed by flood waters, thus eliminating the potential nesting area for the Bell's Vireos. Mr. Halloran, who is an expert in wildlife matters, concluded in his article that the impounded waters of the Fallbrook Reservoir would provide greater "willow-power" than exists at present and that the project will not imperil the Bell's Vireo.

A copy of Mr. Halloran's article is attached.

B. Waterfowl in General

In the September 6, 1979, edition of the Enterprise, Mr. Arthur Halloran, a retired official of the U. S. Fish and Wildlife Service, wrote an article entitled "Future Lake: Boon for Birds". This article discusses the potential of the Fallbrook Reservoir as a nesting and feeding area for all types of birds. Since birds flying over dry and semi-desert areas are attracted to water as a feeding and resting area, the presence of large water areas tends to attract water-loving birds. Following the completion of Boulder Dam in Nevada, the bird population in that area increased greatly. Since Fallbrook is in the fly-way for ducks and geese, it is quite likely that these birds will nest, feed and winter here. From experiences at other locations, Mr. Halloran concludes that Fallbrook would become a water bird haven. The Santa Margarita Project, when completed, will enhance our bird life by adding a new dimension to this semi-arid land where water is essential.

A copy of Mr. Halloran's article is attached.

Reviewing ranges of Bell's Vireo

By ART HAGOPIAN

The exchange of words regarding Bell's Vireo between U.S. Fish & Wildlife Service biologist Ralph Pinapin and local rancher Cal Thomas reported in The Enterprise Aug 30 (by Editor Bob White) prompted me to review the range of this small bird.

The occasion was the Aug 27 California Water Commission meeting, held at Fallbrook concerning the Santa Margarita project.

As reported, Pinapin made a special point that "This rare songbird may be impacted by the . . . project." He also stated that the largest concentration of this bird in the state is located in this area. He added that the birds are candidates for an endangered species list.

Rancher Cal Thomas, who is familiar with the bird in his yard, questioned Pinapin. Pinapin then admitted that he had neither seen the bird nor its habitat.

As a retired Fish & Wildlife biologist, I checked the scientific occurrence record of this bird. What follows is not easy reading, but is the basic truth concerning the widespread range of the four and one half inch Bell's Vireo. ']

I first noted this bird on May 7, 1960 in my own backyard at Lawton, Okla. My notes on the birds at this southwestern Oklahoma location are summarized in a story by myself and wife in the 1970 spring number of the magazine Oklahoma Today.

Bell's Vireo has black eyes, is olive-gray above with two light wing bars and whitish below with olive-gray flanks. Most of its diet is animal food. The insects eaten include caterpillars, beetles, spiders, and bugs. California ornithologists Joseph Grinnell and Tracy Storer found this vireo nesting in the Yosemite region. Singing males were also found in a mid river island in the Sacramento River two miles or so above Red Bluff. Singing males indicate nesting.

I have visited the well-kept avocado grove of Cal Thomas, which lies just above the Rancho Creek dormsite, and noted the adjacent canyons full of native shrubs. Willows are plentiful in these locations. This is Bell's Vireo habitat and much of it will never be touched by the badly-needed water that will be stored by the Santa Margarita Project. But more about that later.

For those who delve into older bird books, the Bell's Vireo is sometimes called the Least Vireo. That is the name used by Arthur C. Bent in his 1950 U.S. National Museum Bulletin No. 197 entitled "Life Histories of North American Wagtails, Shrikes, Vireos, and Their Allies."

The most prestigious list of North American birds is The Check-list of North American Birds prepared by a committee of the American Ornithologists' Union. This reference is my library is the last word on North American bird ranges. Here is a direct quote on the range of Bell's Vireo.

"Breeds from the Great Valley of California southern Nevada, central Arizona, southwestern New Mexico, western Texas, eastern Colorado, central Nebraska, southeastern South Dakota, Iowa, southwestern Wisconsin, and northeastern Illinois south to southern Texas and northwestern Louisiana. In winter from southern Louisiana (one specimen), southern Sonora, and southern Baja California south to El Salvador and northern Nicaragua."

Bell's Vireo ... divides into four subspecies or varieties. One of these calls California its summer home. The difference between these varieties is minor. Field bird books such as Roger Tory Peterson's "A Field Guide to Western Birds" seldom differentiate between subspecies.

Here is a direct quote from the A.O.U. Checklist on the range of the "California" variety of Bell's Vireo.

"Breeds in California in Great Valley (Red Bluff, Owens Valley (Bishop), Death Valley, Mohave River Valley (Victorville, Camp Cady), and the southwestern California (Santa Barbara, San Diego, Escondido) and the northwestern Baja California coastal area (Guadalupe, Cajon, El Rosario, San Pedro Mendo).

"Winters in southern Baja California (Isla Santa Margarita, and La Paz to Cape).

"Casual in ... west California (San Mateo County and southwestern Nevada (Ash Meadows)."

From the above it can be seen that the bird in question has been over a widespread area.

Arnold Small's 1974 classic "The Birds of California" states Bell's Vireo range in Golden State as follows: "range in California - breeds in coastal and interior Southern California (west of the deserts) and north through Central Valley to Tehama County, also breeds in Owens Valley and Death Valley and lower Colorado River Valley."

Now let us go to the highly respected Cooper Ornithological Club publication by George Willett entitled, "A Revised List of the Birds of Southwestern California."

Here is a direct quote concerning Bell's Vireo from that publication: "Common in summer in willow regions from coast to foothills."

The canyons of the entire area of the Santa Margarita Project contain willows. These plants grow in abundance. As many who know the gardeners are aware, whenever water behind ponds or dams in this and other watersheds is impounded willows quickly spring up in abundance.

There is little question that as soon as the Santa Margarita Dam is completed willows will be abundant along the shores. Actually, Bell Vireo habitat could be improved.

Surveyors can easily predict where the water lines will be. There is now and will be when the dams are completed plenty of prime willow Bell's Vireo habitat above their projected waterlines. During construction the widely-spread Bell's Vireo will move up the canyons and then return to lower areas where the impounded waters will duplicate provide greater "willow-power" than can exist.

I certainly agree with Cal Thomas, whose property is a model of realistic conservation effort, that the Santa Margarita Project will not imperil the Bell's Vireo.

Future lake: Boon for birds

By ART HALLORAN

Just for the fun of it let's imagine what will happen to Fallbrook bird life when Lake Fallbrook is a reality behind the long overdue Santa Margarita Dam just north of town.

Similar circumstances in other parts of the Southwest show us what will happen.

As it now stands, you can see more than a hundred kinds of birds right in our village. Many of these are generally classed as songbirds. Ducks, geese, and other water birds are kind of scarce.

On March 27, 1886 my wife and I left the home of Jack and Ella Owens at what is now Alturas and Ammunition and took the old unpaved road through El Rancho Santa Margarita y Las Flores to Oceanside. Reading from my notes of that day, "The ranch is mostly grazing country except for the bottomlands near ranch headquarters, which are under cultivation. Cattle and hogs are run on the range. The ranch is, therefore, in practically the same condition as in California's Spanish Days.

When we come to what is now O'Neill Lake we see egrets, a great blue heron, coots or mudhens, gulls, and a white pelican. Today, particularly during the winter, many kinds of ducks and other water birds can be seen at this attractive lake near the center of Camp Pendleton.

Birds fly over dry and semidesert areas and if water is present they come in to rest and feed.

Probably one of the clearest examples of this is at a small shaded spring-fed pond just in-side Mexico at Quitobaquito (pronounced Keyto-va-keyto) at the southwestern corner of the Oregon Pipe Cactus National Monument south of Gila Bend and Ajo in southwestern Arizona. Here in the middle of one of the driest deserts on the continent you can often see waterfowl and water birds.

If you ever visit this unique national monument take the time to visit Quitobaquito, the old-time home of the last of the Sand Papagoes. This offshoot of the Papago tribe occupied the land between here and the Gulf of California. Quitobaquito is an American oasis in this [illegible] starved land. On the adjacent Cabeza Prieta Game Range established to protect desert bighorn sheep there is but one natural spring on a million acres.

Old-time nature-oriented readers may remember that years ago (1938) a carefully-documented book of the birds of Nevada was published just before Boulder Dam was filled. With the completion of the dam water birds of all kinds flocked into Nevada. A whole generation of young bird observers promptly reported water birds formerly not known from Nevada.

Skeins of Canada geese fly over Fallbrook in long V's, calling as they stream to their northern breeding grounds. When Fallbrook's lake is filled with otherwise wasted water, many more water-loving birds will rest, feed, and even winter here. It should be a fair bet to one day see Canada geese on the lake.

If the gas crunch continues (as our leader predicts) the kids of the future can go fishing without leaving the village except by skateboard, bicycle, roller skates or skiboot.

And then there are the shorebirds such as tiny sandpipers, lesser yellowlegs, colorful black and white stilts, and far-ranging curved-bill curlews. These birds now winter along San Diego County beaches, but they also stop at fresh water lakes.

Years ago, while tracing flights of Canada geese from the Salton Sea northeasterward over the Chocolate Mountains in southeastern California, I could see what watering places look like to a high-flying bird. I was in a small plane piloted by a friend. As we left the Imperial Valley we flew high over brown and tan desert flats and mountains. And then we saw the Colorado River snaking to the Gulf of California. The river looked like a silver string fringed with green. Water birds seeing this would come planing down for a closer look.

And how can we be sure that these birds will be here? Actually they are with us now in small numbers and have been for years. San Diego County bird records back to the 1880s were collected by George Willet in 1933. He tells of pintails breeding at Lake Henshaw in the 1930s, wood ducks at Ramona in 1910, and blue-winged teal at El Cajon in 1901. These records and many more insure that Lake Fallbrook will be a water bird haven.

So the Santa Margarita Project when completed will influence our bird life by adding a new dimension to this semi-arid land where water is essential.

SNOWY EGRET (about 20 inches long) known as the bird with the golden slippers (its legs are black and its feet yellow) at a small natural water tank in the Kofa Mountains of southwestern Arizona. Water birds overfly desert areas and are sometimes found at small desert waterholes. These birds can sometimes be seen on ponds between Fallbrook and Oceanside.

—FWS photo

LESSER yellowlegs, which are about 9 inches long, frequent San Diego beaches during the winter, but can also be found on local fresh-water lakes.

—from a drawing by L.A. Fuertes

IV. Growth Inducement

Various special interest groups, in discussing the Santa Margarita Project, frequently revert to the old cliche that the project would be growth inducing.

Without the project, the Fallbrook area has experienced an increase in population and in agricultural type activity during the past ten years. Growth in both of these categories is a function of land use planning. In the Fallbrook area, a Community Plan has been adopted, which provides for the future growth and development of the area. Any plan is subject to change, however, the present plan based on land use and zoning will result in a finite population over a period of years. Thus, the project cannot affect the growth pattern unless radical plan changes are made.

The concept of the project is to provide a supplemental source of water that can be used instead of imported water. Total water consumption within the District will, no doubt, gradually increase as the few remaining unused areas are developed, however, total water consumption should not increase by more than 10%. Thus, the project cannot be considered growth inducing since the growth has and will continue to occur regardless of the completion of project facilities.

V. Benefit of the Affluent

Upon occasion special interest group representatives have made allegations that the project is intended for the financial benefit of only a very small group of already wealthy people.

The District service area covers approximately 15,000 acres and, presently has in excess of 5,000 customer service connections. Of these connections, approximately 1,000 connections provide service to areas greater than one acre, which are in use to some degree for some form of agricultural pursuit. A tabulation of size of land areas in such use is attached. It should be noted, that in comparison with some areas of California, these agricultural pursuits take place on small parcels under private ownership. Water service is provided by the District for domestic, industrial, commercial, and agricultural use, and all consumers are subject to the same rules, regulations, rates, and benefits. Since the District will be repaying the Federal Government for reimbursable capital costs over a period of 50 years, the cost of water to the consumer, whether imported or project water, would no doubt be equivalent for many years in the future. Thus, the affluent, as well as those of more modest means, will be paying the same rates for water. The contention that the affluent would benefit disproportionately has no basis in fact.

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FALLBROOK PUBLIC UTILITY DISTRICT

990 E. Mission Road — Telephone 728-1125
FALLBROOK, CALIFORNIA 92028

February 27, 1980

California Water Commission
The Chairman of the Commission
P. O. Box 388
Sacramento, California 95802

Dear Sir:

In your letter of September 27th, information was requested regarding land use and ownership patterns within the District. Based on a survey of our agricultural water accounts, the following information was obtained:

Parcel Size (Acres)	No.	Corporate Owned	Family Owned & Operated	Family Owned & Leased
0-1	69	0	69	0
1.1-1.9	143	0	140	3
2.0-2.9	151	2	144	5
3.0-3.9	100	2	93	5
4.0-4.9	80	3	76	1
5.0-7.9	165	1	156	8
8.0-9.9	45	4	38	3
10.0-14.9	78	2	69	7
15.0-19.9	46	3	41	2
20.0-29.9	31	2	27	2
30.0-39.9	14	0	12	2
40.0-49.9	9	1	8	0
50.0-59.9	1	0	1	0
60.0-69.9	3	1	2	0
70.0-79.9	2	0	2	0
80.0-89.9	2	1	1	0
90.0-99.9	2	0	2	0
Over 100	0	0	0	0
Total	941	22	881	38

In addition to the above, there are approximately 4000 parcels having less than 5 acres receiving domestic water service.

Sincerely yours,

William S. Ralston
General Manager
and Chief Engineer

WSR/am

VI. Indian Water Rights

In the early stages of project review, active opposition to the project was expressed by several organizations representing the Pechanga Indians. A summary of this matter is attached.

In recent years, there has been no Indian representation at public meetings regarding the project and no expressed Indian opposition to the project.

SANTA MARGARITA PROJECT

and

IMPACT ON INDIAN RESERVATIONS IN THE SANTA MARGARITA RIVER WATERSHED

Since the release of the Project Feasibility Report for review, various agencies such as the Office of California Indian Legal Services, Sacramento Office of Bureau of Indian Affairs, the Pechanga Band of Mission Indians, and perhaps others, have raised questions pertaining to the impact of the proposed project facilities on the water rights of the Indians associated with reservations within the Santa Margarita River watershed.

The following statements have been taken from the report of the Commissioner of the Bureau of Reclamation which was approved by the Secretary of the Interior on September 2, 1971:

(a) Water supply for the project would be obtained from river inflows available under the terms of a Stipulated Judgment dated December 26, 1940, between Vail Ranch and Rancho Santa Margarita.

(b) Project water supply studies took into consideration the water rights and permits of the District and the United States to the use of waters in the Santa Margarita River Basin.

(c) Water uses of Rancho California under its entitlement, and those of the Pechanga Indian Tribe, which would deplete flows of tributary streams, both present and through possible future developments on the Indian Reservations, were accounted for in the studies of anticipated inflows to the project facilities.

The following statements have been taken from the Project Feasibility Report:

(a) Project Inflows (Pg 48-49)
It was assumed that the Pechanga Indians would deplete the flows of Pechanga Creek to the extent of the natural recharge to the Pechanga Creek Basin. The estimated amount was subtracted from the undepleted flow at the river.

The inflow to the project facilities was computed by subtracting the estimated uses of Rancho California and the Pechanga Indian Reservation from the flows at Station 3 (Santa Margarita River at Temecula) and adding the remainder to downstream gains, including water salvaged from phreatophyte clearing and return flows from the Fallbrook area.

(b) From (Pg 62)
The high value of water and high benefits from its use in the project area justify costs sufficient to construct storage facilities that would conserve most of the larger stream flows even though the larger flows occur infrequently. For example, during Water Year 1969, the following quantities were recorded as passing by various gaging stations in the River as follows:

Temecula Creek at Aguanga	-	17,810 AF
Murrieta Creek at Temecula	-	41,160 AF
SMR near Temecula	-	45,220 AF
SMR near Fallbrook	-	72,270 AF
SMR at Ysidora	-	116,800 AF

This data taken from "Water Resources Data for California, Part I, 1969, U.S.G.S."

If the Indian reservations had the capability to retain the flow within their areas, the balance of the flow which would have been impounded by Project facilities would have approximated 100,000 AF. This was an unusual rainfall year, however, the total runoff was approximately 56% of the total capacity of both reservoirs.

At the MWD rates, effective on July 1, 1972, for purchasing domestic water, the cash value of 100,000 AF of water is $5,200,000.

The stipulated judgment of 1940 between the Vail Ranch, now Rancho California, and Rancho Santa Margarita, now Camp Pendleton, contains numerous provisions and conditions for the division of both ground and surface waters between these two entities. In all subsequent litigation on water rights in the River, the terms of the stipulated judgment have been upheld and the proposed legislation for the Santa Margarita Project specifically provides that such legislation excludes any change in the stipulated judgment.

A statement has been made that the Navy has never enforced the provisions of the stipulated judgment and that its provisions are violated continuously. As a practical matter, adherence to the stipulated judgment would be one either on a voluntary cooperative basis or by some form of litigation. Both parties are known to maintain and interchange records of ground water withdrawals on a continuous basis, and the U.S.G.S. maintains a gaging station on the River near Temecula which continuously records the flow of surface water at that point. Thus data pertaining to the stipulated division of water is continuously available and it can only be assumed that any deviations from the stipulated terms have not resulted in litigation either because of their minor nature, or, in the opinion of the Navy, the specific deviation was not adversely affecting the Base water supply and would thus serve no useful purpose. A case in point might be the maintenance of the stipulated 3 cfs flow at the Temecula gaging station. A minor deviation on a temporary basis from this stipulated flow would be insignificant when compared with the evapo-transpiration losses in the Canyon reach between the Temecula gaging station and the Naval enclave, and litigation to enforce strict adherence to the terms of the agreement would not serve any practical purpose in this case. It might be concluded then that the stipulated judgment is still in effect, that data pertaining to the stipulated terms has been continuously maintained, and that the degree of voluntary adherence to the terms and the water requirements of both parties have been such that litigation has not been considered necessary or warranted.

It is often inferred that the Indians have some prior right to some portion of the ground waters in the underground basin considered in the stipulated judgment. This could well be a valid claim, but as the volume of water in the underground basin remains unchanged regardless of who has rights to it, for project calculation purposes the theoretical project water yield would not be changed if at some later date a different division of the water in the underground basin were to be made. Thus any difference of opinion regarding rights in the under-

ground basins could be resolved separately and at any time without affecting the predicted project water yield for the Santa Margarita Project.

In some instances those expressing concern for the rights of Indians in the watershed have attempted to correlate project water yield data given in the Feasibility Report with other data from other governmental documents which may or may not have any validity for comparison. In this regard it should be recognized that the Bureau of Reclamation has been preparing project studies for many years and can point with justifiable pride to many excellent completed reclamation projects. In the preparation of a feasibility report, the best available historical data is assembled to formulate a project and, based on the theory that the events that resulted in the historical data will reoccur in the future, a theoretical project water yield is calculated. The data in the feasibility report is updated following each review and is compiled in final form after the several required reviews. In consideration of the enormous number of technically expert man-hours that are expended in compiling, reviewing, checking and editing a feasibility report, it is reasonable to assume that the best available data has been used and applied in its proper context. The questioning of the use of certain mathematical data would appear to serve no useful purpose.

From the above statements it is concluded that the Indian right to use any existing surface or ground water has not been questioned or denied.

In the proposed project legislation, H.R. Bill 13299, there is a provision which states that nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the terms of the stipulated judgment dated December 26, 1940, relating to water rights litigation between Vail Ranch and Rancho Santa Margarita.

Everyone possessing a sense of justice and equality is in full concurrence that the needs of the Indians should be recognized and that every effort should be made to assist them in developing their reservations, however, the inclusion of provisions within the Project for benefiting the Indians by recognizing their needs and providing for them is not relevant to the stated project purposes and should be handled as a separate matter.

In order to assist the Indians in developing their reservations, some of the separate actions which the Bureau of Indian Affairs, or concerned Congressional representatives, might take would be as follows:

(a) Sponsor a project to drill wells and provide storage and distribution facilities as required on the reservation. This would enable the Indians to exercise their rights to all available ground water.

(b) In the event that this is not feasible, then negotiate with Metropolitan Water District for purchase of water for use on the reservation. There is apparently a precedent for this as certain legislation has been enacted which provides for the annexation of the Soboba Indian Reservation to MWD and thus enable them to use MWD water.

(c) If a study indicates feasibility, then sponsor a project for surface water impoundment facilities on the reservation. This would not affect the Santa

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Margarita Project, as the flows which would be so impounded have not been used in the calculation of theoretical project water yield in the Santa Margarita Project.

If there is a sincere desire to improve the lot of the Indians and provide useful facilities on the reservation, any of the above alternatives would appear to be a more constructive approach to the problem than the continuing attempts which are being made to delay the authorization and funding of the Santa Margarita Project. Such negative actions can only deny the conservation of the flows in the River and the maximizing of their beneficial uses without any constructive benefit to the Indians.

William S. Ralston
General Manager
and Chief Engineer

5-18-72

VII. Recreational Activities

There has been some concern expressed for the possible objectionable features of recreational activities on the proposed Fallbrook Reservoir.

The recreational portion of the project has been developed by the Bureau of Outdoor Recreation and provides for a mix of general recreation and warm water and trout fishing including water-contact activities, however, limited water area and estimated high fishing use would preclude water skiing and high speed boating.

The District would assume responsibility as the administrator of recreation facilities at the Fallbrook Reservoir. Thus, the control of such activities would be under the direction of local control through the District Board of Directors. This would enable the operation to be conducted in accordance with the desires of local residents, as opposed to those of the State or Federal Government.

The type of recreational operations now conducted at Poway Lake could well be used as a model for this local recreational development.

VIII. Water Conservation

A contention of special interest groups, such as the Mountain Defense League, Friends of the Earth, and Sierra Club, is that area wide water conservation would provide for future water requirements, and that additional water projects are not necessary. The statements from these groups are always general in nature and contain no specifics as to how this would be accomplished and the magnitude of savings that could be effected.

In water years 1976 and 1977, the entire State of California suffered a water drought which necessitated very stringent conservation measures. The public was actively encouraged to conserve water and received many suggestions for reducing domestic use, such as use of reduced flow devices, flush tank water saving devices, reduction in outside irrigation, water reuse, etc. The enforcement of water rationing by means of water price structuring was effective in reaching the rationing goals. When rationing was no longer necessary, the domestic use of water increased when water price structures became more reasonable. From this, it can be concluded that pricing is the most effective conservation measure.

In per capita use surveys conducted in areas that are non-metered and subject to a flat fee charge, water consumption per capita is more than double that in metered areas. This again indicates that cost is the most cogent conservation consideration.

Since water is a production cost for agricultural operation, the cost of water has a direct bearing on the amount used. To minimize water consumption, considerable research has been conducted on ways to reduce water requirements for specific crops. In recent years, drip irrigation systems, in lieu of the spitter type systems, have been installed to reduce water requirements and improve irrigation efficiency. The primary purpose of thses efforts is to reduce production costs.

To assume that voluntary water conservation in areas of high water costs will provide for substantial reductions in quantity of water being used, cannot be supported by actual experience.

In Fallbrook Public Utility District, annual use is 13,000 A.F. Of this amount, approximately 30% is used domestically, or 3,900 A.F. After allowing for a 10% distribution system loss, the total domestic use would be 3,500 A.F. Of this amount, approximately 50% is used in the home and the balance outside the home. Thus, the amount subject to conservation by home water saving devices would be 1,750 A.F. If the use of such devices resulted in a permanent 20% reduction, there would be possible conservation savings of 350 A.F. annually, or approximately 3% of the District total consumption.

The intent of the project is to provide a supplemental water source of 4,500 A.F. annually. Voluntary conservation measures would, at best, provide for only about 10% of this amount.

As a practical matter, the degree of water conservation is practiced in direct proportion to the cost of purchasing water.

IX. Water Reclamation

One of the often proposed solutions to meeting water requirements is the reuse of water. The principal area of consideration is one of waste-water reuse, and the principle problem regarding such use is water quality, both from the mineral and biological content. Both the Federal and State government have been actively involved in research and pilot plants to develop means for water treatment to make it acceptable for reuse.

In FPUD, the TDS content of Colorado River water used is approximately 700 ppm. When this water is blended with State Project Water, a reduction of the mineral content occurs based on the blending percent used. When a 50-50 blend is used, the TDS should be in the 500 ppm range.

The Fallbrook Sanitary District has the capability of treating approximately 1,000,000 gallons per day, which is approximately 10% of average annual daily consumption in the Fallbrook Public Utility District. Under present State Health Department restrictions, reclaimed water cannot be used for human consumption. Before reclaimed water can be used for agricultural purposes, the TDS must be reduced to a level that will not have an adverse affect on existing underground or surface waters. Obviously, the water cannot be used on crops that are sensitive to certain mineral constituents in any water. Waste water from FSD is generally in the 1000-1200 ppm TDS range and, thus, not suitable for such crops as citrus or avocados.

Under all known demineralization procedures, the cost of tertiary water is much greater than the present cost of imported water or the anticipated cost of project water. Thus, the use of reclaimed water locally would appear to have the following drawbacks:

(a) A separate distribution system is required.
(b) Excessive cost of demineralization.
(c) Relatively small amount of water available for reuse.

Thus, water reclamation as a project alternative does not appear to be a viable solution.

X. Non-Structural Alternative

The area's principal water-related needs are developing a local water supply to supplement the use of imported water, providing for seasonal storage for imported water, emergency water storage for use when the imported supply is interrupted, and flood control. None of these needs can be fulfilled without construction or development of storage facilities which entail structural measures for accomplishment.

During the geological studies which were made in connection with the USA-FPUD litigation on the Santa Margarita River water rights, it was concluded that there were no significant aquifiers which could be used as a water source or for water storage.

The matter of providing off-stream storage for imported water on a seasonable basis has been reviewed on several occasions. These studies have concluded that there is no feasible location of an off-stream reservoir to contain the quantity of water required for seasonal storage and emergency water use.

Thus, the only non-structural alternative would apparently be no project. This alternative completely negates the fulfillment of the water-related needs of the entire area which would benefit from the Santa Margarita Project facilities.

Senator MURKOWSKI. Thank you, Mr. Tinker. I have been advised that the Senate will be recessing at 12 and I am not going to have to preside until 12:30, so that would give a little more time for the witnesses. I would like to leave at 12:15, thereabouts.

Our next witness, I would ask either Mr. Burzell, Mr. Roberts, or Mr. McGuire to proceed as you see fit.

Mr. MCGUIRE. I think we will proceed on down the line. If we do have time, I can go back over the history if you are interested in that, Mr. Chairman.

I would just make one comment. Realize that we are only a thousand days from the end of our water, and we need that spigot turned on, so go from there.

Why don't we go on down to Mr. Burzell?

Senator MURKOWSKI. Mr. Burzell, please proceed.

Mr. BURZELL. Mr. Chairman, you also have a full copy of my presentation. The part I would like to go over can be quite brief.

Senator MURKOWSKI. Your entire testimony will be included in the record.

STATEMENT OF L. R. BURZELL, GENERAL MANAGER AND CHIEF ENGINEER, SAN DIEGO COUNTY WATER AUTHORITY, SAN DIEGO, CALIF.

Mr. BURZELL. Thank you very much. The San Diego County Water Authority is the regional agency that brings imported water into San Diego County. Our source is the metropolitan water district of southern California that actually operates the aqueduct from the Colorado River, and from portions of the State, the State of California and other parts of the system, and we carry it the last 75 miles across San Diego County.

The San Diego Water Authority serves 1.8 million people in the service area through some 24-member agencies which Fallbrook happens to be one of them. Camp Pendleton, the Marine Corps base, is one of the 24 agencies, and other agencies, including the city of San Diego, for example, where we have 800,000 people living.

A concern for some of the smaller agencies is that with lower assessed values and having paid less in taxes over the years their rights to water are less in proportion to their area than some of the other agencies like the city of San Diego.

We are concerned that in times of drought, water-short years, that they will not be able to continue to take more water than they are entitled to. The uncertainty as to our water supply results from the State of California's inability to keep its State water facility construction schedule. They have not proceeded in a timely manner to complete works that would bring water to us as per our contracts.

The other problem with the metropolitan water district supply that we depend on has to do with the Federal Supreme Court's ruling in *Arizona* v. *California* where we have lost from, originally we had as much as 1,212,000. That has been cut back to 550,000, and will become effective at that cutback in 1985 when the central Arizona project makes it possible for Arizona to take its share of the Colorado supply. More recently, some Indian decisions on water

rights have added to their rights. The Indians' rights have been increased, and we now recognize that that 1,200,000, 212,000 acre-feet, has been cut back another 100,000 acre-feet per year, so we are counting on about 450,000 acre-feet per year from Colorado.

Another problem that bears on metropolitan's ability to provide us with the water we need concerns the city of Los Angeles. Within the metropolitan district there are other agencies. One of those agencies is the city of Los Angeles which is very nearly independent today from its water supply. It does take but a very small portion of its water from the metropolitan supplies from the Colorado and northern California. The Los Angeles system is the Owens Valley aqueduct, a very famous, well-known aqueduct, but the major portion of that water supply from the Owens Valley occurs in the Mono Lake region. Mono Lake is a very attractive lake. The Los Angeles aqueduct converts 100,000-acre feet of water that we normally, the State of California, would flow into Mono Lake and the environmental groups are fighting that continued export of water from Mono Lake basis, and we feel it is under threat as a supply for Los Angeles, and if they are successful, that 100,000 acre-feet that is now being diverted to Los Angeles would have to be made up from our remaining supplies that the metropolitan water district has, so we look at the threat of the loss of water in that Mono Lake as a very serious additional threat to our supplies, so these four uncertainties facing us, we have been urging all of the agencies that we serve to provide for what they can from local drainage basins.

The project that you are looking at here, the two dams on the Santa Margarita River, fit that need and will provide additional local water, water that is now running off into the ocean.

We assure you we have carried out strong conservation methods within our agency, and we are actively working on reclamation of sewage where it is possible to do so from some of our major sewer systems, but all of the additional capacity that we see coming from our local drainage area, Fallbrook dams are needed if we are to meet the needs of our people.

Do you have some questions?

[The prepared statement of Mr. Burzell follows:]

TESTIMONY OF

L. R. BURZELL
GENERAL MANAGER AND CHIEF ENGINEER
SAN DIEGO COUNTY WATER AUTHORITY
2750 4th Avenue
San Diego, California 92103
(714) 297-3218

on

S. 2684

SANTA MARGARITA PROJECT

to the

SUBCOMMITTEE ON WATER AND POWER
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON, D.C.

July 20, 1982

MR. CHAIRMAN, I AM LINDEN BURZELL, GENERAL MANAGER AND CHIEF ENGINEER OF THE SAN DIEGO COUNTY WATER AUTHORITY (CWA). THE WATER AUTHORITY (CWA) WAS FORMED ON JUNE 9, 1944, UNDER THE COUNTY WATER AUTHORITY ACT TO PROVIDE WATER FOR MUNICIPAL, DOMESTIC, AND OTHER BENEFICIAL USES THROUGHOUT THE COUNTY OF SAN DIEGO. SINCE ITS INCEPTION, THE AUTHORITY HAS BEEN PROVIDING APPROXIMATELY 90% OF THE WATER USED IN SAN DIEGO COUNTY FROM THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD), WHICH OWNS AND OPERATES THE COLORADO RIVER AQUEDUCT. ALL IMPORTED WATER CAME FROM THE COLORADO RIVER UNTIL NORTHERN CALIFORNIA STATE PROJECT WATER BECAME AVAILABLE IN 1977. THE FALLBROOK PUBLIC UTILITY DISTRICT (FPUD), WAS ONE OF THE 9 CHARTER MEMBER AGENCIES OF THE COUNTY WATER AUTHORITY WHICH NOW MEMBER 24.

SAN DIEGO CITY AND COUNTY HAVE LONG ENJOYED A CLOSE WORKING RELATIONSHIP WITH THE FEDERAL GOVERNMENT, AND SPECIFICALLY THE NAVY DEPARTMENT AND THE BUREAU OF RECLAMATION. AS EARLY AS 1921, MEMBERS OF THE CITY COUNCIL OF SAN DIEGO FIRST DISCUSSED THE NECESSITY OF DRAWING ON THE COLORADO RIVER FOR WATER. IN 1930, THE SEVEN-PARTY WATER AGREEMENT WAS SIGNED, AND IN 1933, CONTRACTS WERE SIGNED WITH THE DEPARTMENT OF INTERIOR THAT ENABLED THE CITY AND COUNTY OF SAN DIEGO TO SHARE IN BENEFITS TO BE DERIVED FROM CONSTRUCTION OF THE BOULDER CANYON PROJECT (HOOVER DAM). NUMEROUS ROUTES TO GET COLORADO WATER INTO SAN DIEGO COUNTY WERE STUDIED. ORIGINAL PLANS WERE TO RUN AN AQUEDUCT FROM THE ALL-AMERICAN CANAL NEAR THE MEXICAN BORDER. MEANWHILE, THE

METROPOLITAN WATER DISTRICT HAD BEGUN CONSTRUCTION OF THE COLORADO RIVER AQUEDUCT TO BRING WATER INTO THE LOS ANGELES BASIN, AND HAD IT IN OPERATION BY 1941. BECAUSE OF A CRITICAL SITUATION IN SAN DIEGO'S WATER SUPPLY, WHICH THREATENED TO INTERFERE WITH WAR ACTIVITIES IN THE CITY, PRESIDENT ROOSEVELT, ON OCTOBER 3, 1944, APPOINTED AN INTERDEPARTMENTAL COMMITTEE TO STUDY METHODS OF AUGMENTING SAN DIEGO'S WATER SUPPLY. AS A RESULT, AND UNDER PRESIDENTIAL DIRECTIVE, THE FIRST PIPELINE OF THE FIRST AQUEDUCT WAS HASTILY DESIGNED BY THE BUREAU OF RECLAMATION, BUILT UNDER NAVY DEPARTMENT SUPERVISION. IT PROVIDED A CONNECTING LINK FROM MWD'S COLORADO RIVER AQUEDUCT AT THE SAN JACINTO TUNNEL SOME SEVENTY-FIVE MILES TO THE CITY OF SAN DIEGO'S TERMINAL RESERVOIR AT SAN VICENTE. FOLLOWING THE WAR, REPAYMENT AGREEMENTS WERE SIGNED TO REPAY THE FEDERAL GOVERNMENT FOR THE AQUEDUCT AND SUBSEQUENT OPERATION BY THE CWA. IN THE FOLLOWING 35 YEARS, THE CWA HAS BUILT 3 ADDITIONAL PARALLEL PIPELINES AND A FIFTH IS CURRENTLY UNDER CONSTRUCTION. IT IS INTERESTING THAT 35 YEARS LATER THE SAME INTERESTED PARTIES ONCE MORE ARE WORKING TOGETHER IN PROVIDING A MAJOR WATER PROJECT IN SAN DIEGO COUNTY.

OVER THE 38 YEAR HISTORY OF THE CWA, ALL OF ITS MEMBER AGENCIES HAVE BEEN ABLE TO RELY ON THE CWA FOR MEETING THEIR WATER NEEDS. THE SUPREME COURT DECISION OF 1964, HOWEVER, ALLOCATED A PORTION OF THE COLORADO RIVER BEING USED BY MWD TO THE STATE OF ARIZONA. IN 1985, THE CENTRAL ARIZONA PROJECT

WILL COMPLETE ITS INITIAL DIVERSION AND DISTRIBUTION FACILITIES THAT WILL REDUCE COLORADO RIVER ENTITLEMENT TO MWD FROM 1,212,000 ACRE-FEET PER YEAR TO 550,000 ACRE-FEET. RECENT DECISIONS BY A FEDERAL WATER MASTER OF INDIAN CLAIMS TO COLORADO WATER HAVE FURTHER CUT INTO MWD'S COLORADO SOURCE BY APPROXIMATELY ANOTHER 100,000 ACRE-FEET.

IN THE EARLY 1930's, A STATE-WIDE WATER DEVELOPMENT AND DISTRIBUTION PLAN WAS ESTABLISHED AND APPROVED BY THE VOTERS AS THE CENTRAL VALLEY PROJECT (CVP). STATE BONDS WENT UNSOLD AND THE FEDERAL GOVERNMENT STEPPED IN AND BUILT THE INITIAL CVP FACILITIES INCLUDING SHASTA DAM IN NORTHERN CALIFORNIA ON THE SACRAMENTO RIVER AND THE DELTA-MENDOTA CANAL IN THE SAN JOAQUIN VALLEY. THE CVP WAS BUILT PRIMARILY TO SERVE AGRICULTURE IN THE SAN JOAQUIN VALLEY. IN 1960, THE VOTERS OF CALIFORNIA PASSED LEGISLATION INITIALLY KNOWN AS THE FEATHER RIVER PROJECT (OROVILLE DAM AND THE CALIFORNIA AQUEDUCT), AND NOW REFERRED TO AS THE STATE WATER PROJECT, SETTING IN MOTION ADDITIONAL STATEWIDE WATER PLANS FOR CAPTURING THE HEAVY SNOWPACK RUNOFF IN THE SIERRA NEVADA'S, FOR USE IN THE SAN JOAQUIN VALLEY AND SOUTHERN CALIFORNIA. CONTRACTS WERE SIGNED BETWEEN LOCAL WATER AGENCIES AND THE TWO SUPPLIERS: THE FEDERAL GOVERNMENT FOR THE CVP AND THE STATE FOR THE STATE WATER PROJECT. THE MWD WOULD HAVE BEEN THE BENEFICIARY OF ABOUT 50% OF THE ANTICIPATED 4.23 MILLION ACRE-FEET YIELD OF THE STATE WATER PROJECT AND HAD ANTICIPATED OBTAINING SUFFICIENT WATER FROM THAT SOURCE TO MAKE UP THE LOSS FROM THE COLORADO RIVER.

HOWEVER, ON JUNE 9, 1982, THE VOTERS OF CALIFORNIA, IN A VERY HOTLY DEBATED REFERENDUM, DEFEATED CONSTRUCTION OF THE PERIPHERAL CANAL WHICH WOULD HAVE PROVIDED CAPACITY TO MOVE ADDITIONAL WATER THROUGH THE SACRAMENTO DELTA. WITHOUT THE CANAL AND OTHER RELATED FACILITIES, THE STATE WATER PROJECT WILL BE UNABLE TO MEET THE DELIVERY COMMITTMENTS. TIME DOES NOT PERMIT ME TO GO INTO ALL THE COMPLEXITIES OF THIS ISSUE, BUT STARTING IN 1985, MWD WILL HAVE LESS TOTAL WATER SUPPLY AVAILABLE TO IT THAN IT SOLD IN 1975, 1976, AND 1980. THE SAN DIEGO COUNTY WATER AUTHORITY HAS ENTITLEMENT, BASED ON TAX CONTRIBUTIONS TO FINANCE MWD'S CAPITAL FACILITIES, TO 14-1/2% OF MWD'S AVAILABLE WATER. THE CWA HAS HISTORICALLY UTILIZED ABOUT 24% OF THE AVAILABLE MWD WATER. THE CWA MAY BE THE FIRST LOSER AS A RESULT OF MWD SHORTAGES.

ANOTHER PENDING PROBLEM FOR MWD IS THE LITIGATION IN PROGRESS IN THE OWENS VALLEY BETWEEN LOCAL WATER USERS CONCERNED WITH THE MONO LAKE BASIN DIVERSIONS BEING MADE BY THE LOS ANGELES DEPARTMENT OF WATER AND POWER. ANY COURT DECISIONS AGAINST THE CITY OF LOS ANGELES WILL RESULT IN LOS ANGELES TAKING ADDITIONAL WATER FROM MWD. THE CITY OF L. A. HAS ENTITLEMENT TO APPROXIMATELY 23% OF MWD'S SUPPLIES WHEREAS THEY HAVE ONLY BEEN USING ABOUT 6%. THIS COULD REDUCE MWD DELIVERIES TO OTHER MEMBER AGENCIES BY AS MUCH AS 100,000 ACRE-FEET.

ALL OF THE ABOVE UNCERTAINTIES RELATING TO MWD SUPPLIES AFFECT THE SDCWA MORE THAN ANY OTHER MEMBER AGENCY. IT IS ABSOLUTELY IMPERATIVE THAT ALL ADDITIONAL POTENTIAL SOURCES OF WATER WITHIN THE SAN DIEGO COUNTY SERVICE AREA BE DEVELOPED AS SOON AS POSSIBLE.

THE SANTA MARGARITA PROJECT HAS BEEN STUDIED FOR MANY YEARS AND IS A LONG OVERDUE PROJECT. WHILE PRIMARILY BENEFICIAL TO FPUD AND THE UNITED STATES MARINE CORPS BASE AT CAMP PENDLETON, THE LARGE STORAGE CAPACITY IN THE PROJECT COULD FREE UP IMPORTED WATER NORMALLY USED BY FALLBROOK FOR OTHER AGENCIES IN EXTENDED DRY PERIODS, THEREBY YIELDING A REGIONAL BENEFIT OF SIGNIFICANT VALUE. I UNDERSTAND THAT THE NEEDS OF THE MARINE CORPS BASE WILL BE SUCH THAT, IN THE VERY NEAR FUTURE, THEY WILL HAVE TO EXERCISE THEIR RIGHTS TO CWA WATER FOR THE FIRST TIME. THIS PROJECT WILL ENABLE THEM TO FOREGO THAT CLAIM FOR MANY MORE YEARS. THE COUNTY IS INVESTIGATING MANY OTHER POTENTIAL WATER SOURCES INCLUDING RECLAMATION, DESALTING, AND ONE OTHER RESERVOIR SITE. RELATIVE ECONOMICS ENVIRONMENTAL AND HEALTH CONSIDERATIONS OF THESE OTHER POSSIBLE SUPPLIES ARE UNKNOWN BUT POTENTIALLY VERY EXPENSIVE. NONE OF THESE PROJECTS HAVE BEEN STUDIED TO THE EXTENT OF THE SANTA MARGARITA PROJECT AND IT IS THE ONLY ONE IN A READY-TO-GO STATUS.

THE OTHER KEY FEATURE OF THE SANTA MARGARITA PROJECT, FROM THE COUNTY WATER AUTHORITY'S VIEWPOINT, IS THE STORAGE CAPACITY. STUDIES REVEAL THAT THERE ARE NO MAJOR STORAGE FACILITIES IN NORTH SAN DIEGO COUNTY AND YET

OVER 30% OF THE TOTAL DEMAND IS NORTH OF THE CITY OF ESCONDIDO. THIS AREA ACCOUNTS FOR 75% OF THE COUNTY'S AGRICULTURAL WATER CONSUMPTION. A MAJOR STORAGE FACILITY IN NORTH COUNTY WILL PROVIDE ANOTHER LEVEL OF INSURANCE AGAINST AQUEDUCT OUTAGES AND EXTENDED DROUGHTS. PEAKING DEMANDS BY AGRICULTURAL USERS AT THE UPPER END OF THE CWA AQUEDUCTS WHO HAS NO LOCAL REGULATORY STORAGE, ARE EXCESSIVE AND MUST BE REDUCED. THIS PROJECT WILL HELP CURTAIL MUCH OF THE PEAKING PROBLEM.

THE CWA STRONGLY SUPPORTS APPROVAL OF THE AUTHORIZING LEGISLATION AND URGES THE CONGRESS TO FOLLOW IT UP WITH CONSTRUCTION APPROPRIATIONS AS SOON AS PRACTICAL. I WOULD ALSO LIKE TO SUBMIT FOR THE RECORD TODAY, RESOLUTIONS OF BOTH THE CWA AND MWD BOARDS OF DIRECTORS URGING FAVORABLE ACTION BY THE CONGRESS ON AUTHORIZING LEGISLATION FOR THE SANTA MARGARITA PROJECT.

RESOLUTION NO. 82-29

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COUNTY WATER AUTHORITY IN SUPPORT OF THE SANTA MARGARITA PROJECT

WHEREAS, SAN DIEGO COUNTY WATER AUTHORITY is responsible for the importation of the supplemental water necessary to meet the needs of its member agencies; and

WHEREAS, San Diego County is a semi-arid region with few local sources of water and must rely on imported water for over 90% of the County-wide needs, and

WHEREAS, available supplies from the Colorado River will be significantly reduced after 1985, when Arizona starts taking their entitlement, and

WHEREAS, the construction of the Santa Margarita Project would increase available local supplies by 11,540 acre feet annually, which equates to 33% of existing County-wide sources, provide major water storage in North County, flood control, and other beneficial purposes primarily for two or our member agencies, Fallbrook Public Utility District and Pendleton Military Reservation; and

WHEREAS, any increase in available local supplies will decrease the need for imported water and enhance the reliability of our total water resources;

NOW, THEREFORE, the Board of Directors of the San Diego County Water Authority hereby urges the Congress to act favorably on pending legislation which would authorize construction of the Santa Margarita Project, i.e., S2684 and HR1527, and instructs the Executive Secretary to forward certified copies to the sub-committee chairmen having action on the bills, i.e., SENATOR FRANK MURKOWSKI and CONGRESSMAN ABRAHAM KAZEN, in addition to CONGRESSMAN CLAIR BURGENER, author of HR1527, co-sponsors Congressmen BADHAM, LOWERY and HUNTER, and SENATOR S. I. HAYAKAWA, author of S2684, and other interested parties.

RESOLUTION 7922

RESOLUTION OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
IN SUPPORT OF AUTHORIZATION OF
THE SANTA MARGARITA PROJECT

WHEREAS, the proposed Santa Margarita Project provides a means for impounding and conserving the natural flows of the Santa Margarita River, a coastal stream north of San Diego, California, in the Fallbrook area, and adding a firm annual yield of 11,000 acre-feet of local water supply to that semi-arid region, and

WHEREAS the construction of this Project has been under consideration for many years by the Fallbrook Public Utility District and the Camp Pendleton Marine Corps Base, and

WHEREAS, the Fallbrook Public Utility District, the Secretary of the Interior, Secretary of the Navy, and the Attorney General entered into Memorandum of Understanding and Agreement March 4, 1968, to proceed jointly with a unified and comprehensive programs for sound management and maximum beneficial utilization of the water resources of the lower Santa Margarita River, and

WHEREAS, based on the Feasibility Report prepared by the Bureau of Reclamation, the Santa Margarita Project represents a desirable water resource development that would implement that agreement and strengthen the economy of the area, state and nation, since that Project is feasible and economically justified as demonstrated in that Report by a favorable benefit-cost ratio, and

WHEREAS, the Project not only provides for water conservation, but will also provide essential storage for emergencies to support present water imports for the area, and a means for flood control, wildlife enhancement, water-oriented recreation and enhancement of the human environment, and

WHEREAS, the Fallbrook Public Utility District is wholly dependent on imported water supplied by The Metropolitan Water District of Southern California via the San Diego County Water Authority, and future MWD water supplies have become subject to serious limitations as a result of a scheduled major reduction in Colorado River water supplies when the Central Arizona Project begins operation 1985, and serious delays in construction of State Water Project facilities needed for delivering contracted amounts of Northern California water to MWD, and

WHEREAS, in order to minimize the effect of possible future water shortages, MWD has encouraged all member agencies to develop local water sources and construct facilities to store imported water.

98-495 O—82——8

NOW, THEREFORE, BE IT RESOLVED THAT The Metropolitan Water District of Southern California urges the U.S. Congress to approve the authorizing legislation for the Santa Margarita Project, i.e., S 2684 in the Senate and HR 1527 in the House of Representatives.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held July 13, 1982.

Karen E. Dorff

Executive Secretary
The Metropolitan Water District of
Southern California

Senator MURKOWSKI. I thank you, Mr. Burzell. I will save the questions at the conclusion of the witnesses. Well, on the other hand, I will ask one now.

Do you know what your rating is, your bond rating, for the San Diego Water Authority?

Mr. BURZELL. Ours is about the same as Fallbrook's. It has varied some. There has been some changing, by Triple A I believe.

Senator MURKOWSKI. Thank you. I believe Mr. Roberts is next.

STATEMENT OF JAMES ROBERTS, PAST PRESIDENT, SAN DIEGO COUNTY FARM BUREAU

Mr. ROBERTS. Yes, sir. I am here to represent agriculture in San Diego County. I would like to point out that San Diego County is a very important agricultural county in the United States. In fact, it ranks 23rd. We grow crops in the United States that basically can't be grown in other areas. We grow avocados. We grow winter tomatoes, and we have a very large nursery, greenhouse and nursery business and production, and if we are short of water in San Diego County, we know that agriculture is going to be the first one to lose the water and these crops are going to go, and I don't think it is in the best interests of the United States to let this happen. I think these are crops that are important to all, the whole population of our country.

The other problem that was pointed out earlier that agriculture faces and especially in this Fallbrook area, there is very, very little storage capacity, and in growing crops, especially tree crops, if we are out of water for much longer than a week at a time, we lose the crop for the year. If we lose the water for maybe 3 weeks, we are into very serious tree damage, so this is a very, very important project to agriculture.

I would like to point out, too, that because of our high water costs that San Diego County is really the leading county in this country and probably the world in solving water usage problems. We have developed the drift irrigation systems, the micro-irrigation, minisprinklers, whatever you want to call them, where actually we are manufacturing and sending these projects on a worldwide basis now, and with these products. We are using from 10 to 50 percent of the water that is normally used by crops, by similar crops grown in other areas, and in fact, we actually grow better quality crops than other areas due to the small amount of water, so I think there is a lot to be learned from what we are doing in San Diego County.

It has been pointed out that we have high water costs. Our water costs probably average, for the county would be around $300 an acre-foot, and in other areas go down to $5 an acre-foot or a very low cost, so you can see how important our conservation measures are to us in agriculture, how we are able to still compete.

Thank you.

[The prepared statement of Mr. Roberts follows:]

TESTIMONY OF

JAMES ROBERTS
PAST PRESIDENT
SAN DIEGO COUNTY FARM BUREAU

ON

S. 2684

SANTA MARGARITA PROJECT

to the

SUBCOMMITTEE ON WATER AND POWER
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON, D.C.

July 20, 1982

The history of water development projects in the West is filled with reclamation projects that opened up new lands for agricultural development and have provided this country and the world with an abundance of food, jobs, and prosperity. Benefits pumped back into the economy have far exceeded the costs to the taxpayer for the capital investment.

San Diego County's agricultural production in 1981 totaled $439,741,000, which included $94,051,000 in nursery products, $88,940,000 in tomatoes, $66,355,000 in eggs, $44,876,000 in avocados, $30,248,000 in milk and $20,620,000 in Valencia oranges.

It should be of interest to this Senate Sub-Committee that San Diego County is a major agricultural County and ranks 23 in the United States in agricultural production.

The Santa Margarita project is needed, not to open up new lands for production, but to ensure the continuity of the existing agricultural economy in North San Diego County. This economy has been built up over the years with over 95% reliance on imported water from the Colorado Rover. The State of California has partially developed a state wide water system that, if completed, would be able to replace water lost from the Colorado River to Arizon. However, the voters have defeated construction plans for a Peripheral Canal which will restrict the State's ability to move the water from its source in the North to the demand in the South. Because of State water law, municipal and industrial uses of water take precedence over agriculture during droughts and other water shortages. The permanent avocado and citrus crops in the Fallbrook area cannot survive even short term water shortages. Summer irrigation is required on a 4-5 day cycle and sometimes as frequently as every other day during hot, dry, desert wind conditions. Existing local storage of 2-1/2 days is not much of an insurance policy against potential outages.

We recognize that the cost of water from this project will be high, but so will the cost of imported water from sources unknown at the present time. Almost all the cost of imported water is the pumping energy to get it here and we in San Diego County are all too aware of the cost of electricity today.

San Diego County is devoted to maintaining its rural character and agricultural emphasis. Without a reliable, assured water supply, the entire region

is in for drastic changes, including significant loss to the economy if agriculture is forced to dry up. The availability of certain crops in the United States would also be in jeopardy because, as I pointed out earlier, avocados, tomatoes and nursery products are major crops for San Diego County. Two of these crops, avocados and winter tomatoes, are marked in the entire United States. In the case of avocados, the lost production could not be replaced. Basically, the same could be said for winter tomatoes unless more winter tomatoes could be imported from Mexico or grown in greenhouses. Because of the high cost of heating in the colder areas of the United States, many greenhouse and nursery operations are relocating in Southern California with a high percentage coming to San Diego County. Speedy favorable action on this legislation, followed by construction appropriations will stabilize the agriculture future of the Fallbrook area.

Agricultural water conservation practices in the United States were started in San Diego County through the use of drip-trickle and micro-irrigation.

Drip-trickle and micro-irrigation have been developed and perfected in San Diego County. For 13 years farmers in our county have been using these new irrigation techniques and today farmers consistently use 10% - 50% of the water required to grow identical crops in other parts of the country. In fact, the crops grown using these water saving irrigation systems are premium crops commanding higher than average prices.

The efficient use of water along with San Diego County's superior climate and the resulting superior crops indicate that there will always be large agricultural production in the rural areas of the county.

We have seen a continual escalation in water costs along with a yearly increase in acreage devoted to agriculture. County wide returns from agricultural production are steadily increasing and it would appear to be a reasonable assumption that agricultural water use would continue as anticipated for the foreseeable future.

The most important factor for agriculture is having an adequate supply of water and certainly the Santa Margarita Project will go a long way toward solving this problem.

I am submitting for the record statements from Calavo Growers of California and the San Diego County Farm Bureau.

CALAVO GROWERS OF CALIFORNIA

4833 EVERETT AVENUE, LOS ANGELES, CALIFORNIA 90058 • MAILING ADDRESS: BOX 3486 TERMINAL ANNEX, LOS ANGELES, CALIFORNIA 90051 • TELEPHONE (213) 587-4291

July 7, 1982

HAND DELIVER

The Honorable Frank H. Murkowski
Chairman, Subcommittee on Water and Power
Committee on Energy and Natural Resources
3106 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Murkowski:

The pending loss of Colorado River water, as well as the recent defeat of Proposition 9 (which, if passed, would have provided additional Northern California water), have combined to place the productive agriculture of San Diego's North County in serious jeopardy.

As directors of the avocado grower cooperative--Calavo Growers of California--we represent a substantial percentage of the producers whose avocado crop last year contributed some $44.9 million to the economy of the County, ranking 4th in importance among all San Diego agricultural commodities. Many of our members are located in the Fallbrook area--"avocado capital of the world"--and they face imminent disaster if work on the long-delayed Santa Margarita Dam project is not instituted promptly. There is no longer any viable alternative.

In an era of tight budgets, it is important to emphasize that agriculture is not asking for a "hand-out." Growers have the capacity to pay for the project, and the Fallbrook Public Utility District stands ready to sign a repayment contract for its share of the project.

It should be noted that 25% of the water consumed in San Diego County is required by the County's highly productive agriculture. Of this 25%, 75% is consumed in the North County, including the Fallbrook area, for permanent crops (such as avocados). This is an area that is 98.5% dependent on imported water - on water sources severely impacted by the pending reduction in Colorado River availabilities and the loss of Proposition 9. Santa Margarita project water is, therefore, no longer a "luxury" subject to deferral. Rather, it is now essential to the survival of North County agriculture which, in turn, contributes heavily to the jobs and economy of the entire County.

Sincerely,

Wilfred D. Purdum

Wilfred D. Purdum
Chairman of the Board
WDP/cns

TELEX: CALAVO LSA 674-938

San Diego County Farm Bureau

1670 EAST VALLEY PARKWAY, ESCONDIDO, CA. 92027

TELEPHONE
(714) 745-3023

AFFILIATED WITH
CALIFORNIA FARM BUREAU FEDERATION, BERKELEY, CALIF.
AMERICAN FARM BUREAU FEDERATION, CHICAGO, ILL. & WASHINGTON, D.C.

July 15, 1982

The Honorable Frank H. Murkowski
Chairman, Subcommittee on Water and Power
Committee on Energy and Natural Resources
3106 Dirksen, Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski:

On September 14, 1978, the San Diego County Farm Bureau Board of Directors unanimously adopted a Resolution supporting the construction of the Santa Margarita Project in San Diego County (copy enclosed). The San Diego County Farm Bureau still vigorously supports the construction of this project.

The Project facilities will provide a means for impounding and conserving the natural flows of the Santa Margarita River, a costal stream north of San Diego, California. The Project facilities will not only provide for water conservation and essential storage to support present water imports (sole source of water supply for the area), but will provide a means for flood control, wild life enhancement and water-oriented recreation.

The defeat of California's Proposition 9 (the Peripheral Canal) makes it imparative for San Diego County to utilize all natural water sources. Water shortages will be encountered in Southern California very soon. In 1985, the Metropolitan Water District--our only source of imported water--will lose half of its Colorado River water supply when Arizona begins taking its entitlement. San Diego County residents and farmers need the Santa Margarita Project as soon as possible.

Your support on this matter will be greatly appreciated.

Very truly yours,

Victor S. Pankey

Victor S. Pankey
President

Enclosure

San Diego County Farm Bureau

1670 EAST VALLEY PARKWAY, ESCONDIDO, CA. 92027

TELEPHONE
(714) 745-3023

AFFILIATED WITH
CALIFORNIA FARM BUREAU FEDERATION, BERKELEY, CALIF.
AMERICAN FARM BUREAU FEDERATION, CHICAGO, ILL. & WASHINGTON, D.C.

RESOLUTION FOR THE CONSTRUCTION OF THE SANTA MARGARITA PROJECT IN SAN DIEGO COUNTY:

WHEREAS, the proposed Santa Margarita Project facilities provide a means for impounding and conserving the natural flows of the Santa Margarita River, a coastal stream north of San Diego, California, in the Fallbrook area, and

WHEREAS, the construction of these facilities has been under consideration for many years by the Fallbrook Public Utility District and Marine Corps Base, Camp Pendleton, and

WHEREAS, the Fallbrook Public Utility District, the Secretary of the Interior, Secretary of the Navy, and the Attorney General entered into a Memorandum of Understanding and Agreement March 4, 1968, to proceed jointly with unified and comprehensive programs for sound management and maximum beneficial utilization of the water resources of the lower Santa Margarita River, and,

WHEREAS, based on the Feasibility Report prepared by the Bureau of Reclamation, the Santa Margarita Project represents a desirable water resource development that would strengthen the economy of the area, State, and Nation, and the Project is engineerably feasible and economically justified as demonstrated by a highly favorable cost-benefit ratio, and

WHEREAS, the Project facility not only provides for water conservation, and essential storage for emergencies to support present water imports, sole source of water supply for the area, but will provide a means for flood control, wild life enhancement, water-oriented recreation and the Environmental Impact Report (INT-FES-76-32) concludes that there would be enhancement of the human environment if the Project facilities are constructed, and

WHEREAS, the Board of Directors of the San Diego County Farm Bureau recognizes the necessity for introduction of a Bill in the United States House of Representatives to enable Congressional authorization of the Santa Margarita Project facilities.

COPY

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Diego County Farm Bureau, on behalf of the agricultural water users, and the Fallbrook Public Utilities District, requests that Congressman Clair W. Burgener, Representative of the 43rd Congressional District of California, introduce legislation in the United States House of Representatives at the earliest practical date, which would authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita Project, Fallbrook, California.

The foregoing Resolution was duly adopted by unanimous vote of the Board of Directors of the San Diego County Farm Bureau at its regular meeting held on the 14th day of September, 1978.

Charles F. Woods

Secretary, Board of Directors

Senator MURKOWSKI. Mr. McGuire?

STATEMENT OF LEO McGUIRE, PRESIDENT, BOARD OF DIRECTORS, FALLBROOK PUBLIC UTILITY DISTRICT

Mr. MCGUIRE. Would you be interested in going to the background, about a 5-minute deal?

Senator MURKOWSKI. Make it 3 minutes and we'll take it.

Mr. MCGUIRE. I'll skip the first 50 years.

Senator MURKOWSKI. That's fine. We assume there was plenty of water.

Mr. MCGUIRE. Plenty of troubles, yes.

Senator MURKOWSKI. Your entire statement will be submitted.

Mr. MCGUIRE. It is on record, so I have even cut that down to an even smaller amount.

In 1922 is when we started our first utility district. Of course, at that time we estimated the cost of the dam at $2,200,000. That is 1922.

Senator MURKOWSKI. You should have built it then.

Mr. MCGUIRE. We didn't have the money. Of course, we had the lawsuits in the old days, the old big ranchos between the Vail Ranch and San Margarita, and that took 14 years to settle that suit, and then we come back to the fact that the year after they settled the suit, the San Margarita Ranch was sold to the U.S. Government, and they now call it Camp Pendleton, and I might add that we couldn't have better neighbors. They settled the suit to the point where they got two-thirds of the water rights and the Vail Ranch to the east got one-third, so we are in between them. Okay.

Then we go on ahead and in 1954 there was congressional authorization of a single dam project, the DeLuz Dam on Camp Pendleton. Unfortunately for both agencies, the United States Justice Department would not accept the 60–40 water allocation agreed to locally and pursued the matter in the courts. During the course of that deal, the FPUD acquired 1,380 acres by negotiating purchases and through condemning the property. All parcels were paid for by 1959 for a total price of $667,000. That is 1959. Probably the valuation of that now is at least seven to eight times more.

In 1961, with no progress being made in the courts, the district applied for a small reclamation project to construct a dam at the Fallbrook site, and then, of course, we know we are down to the present time here, and we have been trying to get this project for decades. Thanks to the efforts of others, the area has been developed because of imported Colorado River water, and we are dependent completely upon that, and there it is, sir, a short synopsis of a 10-page report.

[The prepared statement of Mr. McGuire follows:]

TESTIMONY OF

LEO MCGUIRE

PRESIDENT, BOARD OF DIRECTORS
FALLBROOK PUBLIC UTILITY DISTRICT
990 East Mission Road
Fallbrook, California 92028
(714) 728-1125

on

S. 2684

SANTA MARGARITA PROJECT

to the

SUBCOMMITTEE ON WATER AND POWER
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON, D.C.

July 20, 1982

Mr. Chairman, I am Leo McGuire, President of the Board of Directors of the Fallbrook Public Utility District (FPUD). The people of Fallbrook appreciate this opportunity to discuss the need for the Santa Margarita Project. It appears there really may be a light at the end of the tunnel for this project after 57 years of water rights litigation, studies, hearings, re-studies and much frustration. The spirit of cooperation between the Bureau of Reclamation, the Navy Department, local Marine Corps officials and this District has never been better and the time is not only ripe, but it is reaching the point of absolute necessity to move forward with the construction of this project.

Let me give you a quick historical summary of the background of the project today and then ask my General Manager, Mr. Gordon Tinker, to cover specific project requirements, present some local community comments, and address the environmental issues surrounding the project. Next, I have asked the General Manager of the San Diego County Water Authority, Mr. Lin Burzell, to review for you the water supply situation from the County viewpoint, since we are totally dependent on the Authority for all of our current water supply. Then Mr. Jim Roberts, Past President of the San Diego County Farm Bureau will give you a run down on the agricultural economy in the area and the impact on it without a continued reliable water supply. In addition to my oral comments, I offer for the record a detailed summary entitled "A Compilation of Historical Data on Water Development in the Fallbrook Area".

First attempts at organized water development on the Santa Margarita River in the Fallbrook area began around 1891 with creation of a Fallbrook Irrigation District and approval of a $400,000 bond issue. Opposition led to protracted litigation and the District was declared illegally organized. Local citizens resorted to pumping from marginal underground wells for the next 30 years. During this period, olives, grapes, citrus, and avocado trees were the primary crops.

In 1922, the Fallbrook Public Utility District was established to provide a potable water system for the down town area comprising about 500 acres. Well water was the initial supply. In 1924, a group of local citizens again created a Fallbrook Irrigation District and applied for diversion and storage rights on the Santa Margarita River for a district of 10,000 acres. It was at this time that engineering investigations began in ernest and the current site of the Fall-

brook dam was selected. The cost of the project at this time was estimated at $2,220,000.

But outside interests, namely the Vail Ranch to the east and the Santa Margarita Ranch to the west, were also attempting to develop their areas within the Santa Margarita basin and in 1926, suit was brought against the Vail Co. by Rancho Santa Margarita and the matter was in and out of the courts for 14 years. The Fallbrook Irrigation District (FID) attempted to resolve the issue by trying to develop a project to suit the needs of all concerned but was unsuccessful. The FID then turned south to the San Luis Rey River and attempted to develop spreading basins, diversion works, and well fields. Further legal obstacles arose and the poor economic situation of the 1930's hampered their efforts. In 1937, the FID voted to dissolve and was absorbed by the FPUD. In 1940, the Vail Ranch/Santa Margarita Ranch lawsuit was settled with 2/3 of the water rights going to Rancho Santa Margarita and 1/3 to Vail. The next year the Rancho Santa Margarita was purchased by the Navy Department and became Camp Pendleton. During WWII and shortly thereafter, the Navy Department conducted studies for diversion and storage facilities on the River to support the Marine training base. Simultaneously, the FPUD filed for and obtained diversion, storage, and appropriation rights on the Santa Margarita River upstream from Camp Pendleton. The District also purchased the Fallbrook dam site and portions of the reservoir site at this time. In 1951, the Federal Government brought suit against the FPUD and 6000 local citizens to quiet its title to their rights on the River. Local agreements were reached between Marine Corps officials and the FPUD that culminated in 1954 in Congressional authorization (PL83-847) of a single dam project known as DeLuz Dam on Camp Pendleton. Unfortunately, for both agencies the U. S. Justice Department would not accept the 60/40 water allocation agreed to locally and pursued the matter further in the courts. During the course of the litigation, the FPUD acquired title to the 1570 acres needed for the Fallbrook Dam and reservoir by negotiated purchases and condemnation through powers of eminent domain. All parcels were paid for by 1959 at a total price of $667,000. In 1961, with no progress being made in the courts, the District applied for a Small Reclamation Projects Loan to construct a dam at the Fallbrook site.

After many years of litigation concerning water rights on the Santa Margarita River, extending over a period from 1923 to 1966, the U. S. District Court for the Southern District of California entered its Modified Final Judgment and Decree on April 6, 1966. However, the many years of litigation had not produced a division of water between the Fallbrook Public Utility District and Camp Pendleton that would enable either to build and operate a separate project. The court retain continuing jurisdiction over water rights on the river and invited the two principal parties to seek physical solutions that would alleviate further controversies.

A Memorandum of Understanding and Agreement was signed by the Secretary of the Navy, Secretary of the Interior, U. S. Attorney General, and Fallbrook Public Utility District, on March 4, 1968, in which all parties agreed to an equitable division of the water predicated upon construction of a joint project involving dams and reservoirs at both the Fallbrook and DeLuz sites, if found to be feasible. The Memorandum of Understanding and Agreement was subsequently approved by the U. S. District Court on June 27, 1968, and incorporated in its Modified Final Judgment and Decree. Except for the two dams and reservoirs stipulated in the agreement, to be constructed, owned, and operated by the United States as a single project, there is no other presently known physical solution that would alleviate further legal controversies.

Gentlemen, we have needed this project for decades. Thanks to the efforts of others, the area has developed because of imported Colorado River water. But, as Mr. Burzell will explain, we can no longer rely on the level of supplies from that or other outside sources, after 1985, to meet all our needs.

We have already turned over our water rights to the Bureau of Reclamation for this project and stand ready to offer the 1570 acres as our up front contribution so that construction can begin.

A COMPILATION OF HISTORICAL DATA ON WATER DEVELOPMENT IN THE FALLBROOK AREA

In the 1870's the Reche family kept bees and sold "Fallbrook" honey. In the 1880's several other families also engaged in bee keeping along with their farming of grain. In the 1890's olives and grapes were prominent as agricultural crops. In the 1900's citrus and fruit trees were planted and beginning in the 1920's avocados began to be the most important crop in Fallbrook.

With the planting of citrus and avocado trees and the presence of about 2000 people in the community, the need for water supply on a community basis developed.

First efforts to develop a water supply for the Fallbrook area occurred in 1891 when a Fallbrook Irrigation District, embracing an area of about 12,000 acres was organized under the original Wright Act. Plans were made at that time to obtain water from Santa Margarita River and a bond issue in the amount of $400,000 was voted for the purpose. Opposition, however, soon led to protracted litigation which resulted in the District being declared illegally organized. No further attempt to secure water from an outside source was made for a period of some thirty years. In the intervening time, development went ahead by utilizing the limited supply available by pumping from underground. The area was attractive for homesites and valuations increased as the community gradually built up. By 1924, about 1500 acres were in producing crops and half that acreage was being irrigated from wells. The local water supply, however, was overdeveloped.

In February 1924, a group of Fallbrook citizens filed Application 3846 with the Division of Water Rights for diversion and storage of flood waters on Santa Margarita River. Shortly thereafter a petition for creation of an irriga-

tion district of 10,000 acres was presented to the Board of Supervisors of San Diego County. Practically all of the area was within the drainage basin of the San Luis Rey River.

In approving feasibility of the project for storing of flood waters, State Engineer McClure stated, "This recommendation is made with the knowledge that the right of the District, if formed, to an adequate supply of water may be contested, and also with the knowledge that the cost of applying water to the lands in the proposed District will be more expensive than is the cost of many other irrigation districts . . . . . Becuase of the superior quality of lands within the project and the strategic situation, I am convinced that a project may be completed within permissible economic expenditures."

Fallbrook Irrigation District

At an election held April 18, 1925, local support of the project was shown by the fact that all of the 186 votes cast were favorable to organization of another Fallbrook Irrigation District. Plans were immediately started for obtaining water from the Santa Margarita River. Engineers were employed to make investigations, and some twelve or fifteen different schemes were studies and reported upon in an effort to arrive at a plan that would be acceptable to riparian owners along the river. The tentative project adopted contemplated the building of a 160 foot dam at the Fallbrook site about one mile from the north boundary of the District. A reservoir of 35,000 acre feet capacity was estimated to furnish the District with a net annual supply of 10,000 acre feet. An average pumping lift of 400 feet would have been necessary to raise water from the reservoir to its place of use within the District. The total estimated cost of the plan complete, including a pipe distribution system, was $2,220,000 or $222.00 per acre.

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Litigation over Water Rights in the Santa Margarita River

The O'Neill interests, owners of Santa Margarita Ranch, now the U. S. Marine Base, Camp Pendleton, extending along the river from Fallbrook to the ocean and the Vail Company with large holdings about ten miles above Fallbrook, now Rancho California, controlled practically all of the lands riparian to the Santa Margarita River. The Vail Company had filed Application 1423 for a permit to divert and store waters of Temecula Creek, principal tributary of the Santa Margarita. This application had been protested by the O'Neill interests who planned development lower on the stream. Considerable effort was made by engineers employed by the Fallbrook Irrigation District to work out a project that would serve the interests of all concerned, but in 1926 suit was brought against the Vail Company by the Rancho Santa Margarita and the entire matter of water rights was tied up with litigation for the next three years.

A hearing called by the Division of Water Rights September 2, 1926, to consider the applications for permits to divert and store water that had been filed, was postponed at the request of contending parties until decision by the court had been made in the Rancho Santa Margarita - Vail suit.

On December 6, 1928, the Fallbrook Irrigation District filed a condemnation suit for the unused riparian rights of Rancho Santa Margarita and on lands at the site that would be inundated by the proposed reservoir.

A second hearing on applications held February 26, 1930, resulted in a permit being issued to the Fallbrook Irrigation District to appropriate 35,000 acre feet for storage on Santa Margarita River and a maximum of 15,000 acre feet for annual use.

Extensions of the water permits were allowed from time to time to give the proponents opportunity to begin construction on the Santa Margarita River, but an application for building the dam was never filed. The existing financial conditions during the depression of the early 1930's made it impossible for the District to consider floating a bond issue.

When the Federal Government instituted its several economic recovery aids of financing, new interest was taken in the possibility of securing funds from that source for the project. Negotiations were again opened with owners of the Santa Margarita Rancho and certain explorations were made in the bed of the river at the proposed dam site. On January 12, 1934, an application was forwarded to the Public Works Administration in Washington for a grant and a loan to carry out construction, but in June of that year, word was received that the application had been turned down on the grounds that income of the District was not sufficient to support the necessary bond issue for full development.

At this stage, there seemed little possibility that development on the Santa Margarita could ever be financed. Agitation was started by several of the land owners to have the Fallbrook Irrigation District dissolved. Two of the directors resigned. The attorney for the district was instructed to bring about a dismissal of all action in connection with Santa Margarita as a source of water supply and the permit that had been issued by the State was accordingly revoked and cancelled.

At a mass meeting of citizens called July 19, 1934, to consider the situation, a new plan was submitted for partial development of the District by pumping from the bed of the San Luis Rey River. It was thought that by cutting down the size of the District to include only the better lands, a project could be worked out which would meet requirements for a Federal loan.

Application 8156, dated November 16, 1934, was filed with the Division of Water Resources seeking appropriation of 10,000 acre feet per annum from San Luis Rey and the right to divert 15,000 acre feet for temporary storage by spreading in the stream channel.

Subsequently applications for diversion from the San Luis Rey River were also filed by the Carlsbad Mutual Water Company and by the City of Oceanside. All of these applications were protested and hearings in the matter were held by the

Division of Water Resources during the months of September, October, and November 1935.

The plan presented by the Fallbrook Irrigation District in an engineering report dated September 7, 1935, contemplated use of underground storage basins to avoid the construction of a surface reservoir. Options had been obtained on two large tracts of water bearing lands in the river bed of the San Luis Rey extending upstream from Bonsall. The necessary wells, pumping plants, pipelines, and distributing conduits were to be installed to provide the District with water to the extend of 10,000 acre feet per annum. A weir and spreading works were to be built at the upper end of the water bearing lands by means of which the surface flow could be diverted to recharge the underground basin.

The total cost of this project was estimated to be $950,000.00. An amended application was filed with the P.W.A. for a grant of 45 per cent of this amount and a loan of the balance to be secured by a bond issue of $525,000.

On a showing that the available water supply from the San Luis Rey would be entirely inadequate for a project of that size, the District voluntarily reduced its area by exclusions from 10,000 to 6,800 acres. Present water rights were further waived on 1,800 acres, leaving 5,000 acres to be provided for under the revised plan.

A supplemental engineering report dated August 31, 1936, was then prepared which recommended the following modified plan

1. Exercise option to purchase single tract of 740 acres of water land in the San Luis Rey River bed at the upper end of Bonsall Basin.
2. Construct four 20 inch wells on said tract and provide necessary pumping equipment, pipelines, reservoirs, and distributing conduits to serve a District of 5,000 acres.

3. Construct weir and spreading works at upper end of water bearing lands to sink surface flow and recharge underground basin.
4. Provide a 1000 foot well near center of District to serve as a standby during seasons of deficient rainfall when District's supply from San Luis Rey might be curtailed.

The cost of this revised project was estimated at $786,023.00. Deduction of 45 per cent, as the amount of a possible Federal grant, left a total of $432,313 to be covered by a bond issue. Application was made to the Securities Commission for approval of a $500,000 bond issue, which would leave a surplus to cover unforeseen contingencies not provided for in the estimate.

This Federal grant was turned down in April, 1937, and the Fallbrook Irrigation District voted to dissolve in May. This was confirmed by the San Diego Board of Supervisors in November, and a part of the former Irrigation District then became a part of the Fallbrook Public Utility District. The Irrigation District's permit to pump from the San Luis Rey River was transferred to the Fallbrook Public Utility District along with all other District assets.

Fallbrook Public Utility District

The Fallbrook Public Utility District had been incorporated on June 5, 1922, under the "Public Utility District Act approved May 31, 1921." The District was originally formed to supply the water needs of the downtown area consisting of about 500 acres. Water to serve the town area was taken from a well, beginning in 1922. In 1938, a plan to develop water from the Bonsall Basin of the San Luis Rey River was started, and by 1946 three 1000 gallons-a-minute wells were in operation. Four similar wells in the San Luis Rey River were added later along with the necessary pumps and pipelines necessary to deliver 5000 gallons a minute into the Fallbrook Public Utility District distribution system. Almost $600,000

was invested in the Bonsall Basin pumping plant to develop the 2,500 acre-feet annually for which permits had been obtained from the Department of Water Resources of the State, when in 1953, due to the generally overdrafted condition of the River, the District was enjoined from extracting water after April 1st, 1954 until such time as the average static water level in the Basin was less than 18 feet below surface of the ground. No water was pumped by the District from the San Luis Rey River after that time, and the well field property was subsequently sold by the District in 1974.

Beginning in 1933 small amounts of water were pumped by the District from the Santa Margarita River. The District's original permit to divert 2-1/2 cfs from the River was converted into a license by the State Board. The District became an original member of the San Diego County Water Authority at its formation on June 9, 1944, and thus became eligible to receive a portion of the Colorado River water diverted by the Metropolitan Water District of Southern California.

Annexations

With the dissolution of the Fallbrook Irrigation District in 1937, approximately 4,500 acres of the land of that District were annexed to the Fallbrook Public Utility District making the total area of the District about 5,000 acres.

Within the District, 175 acres had been irrigated by the Winterwarm Mutual Water Company, organized in 1928. In 1957, this Company was dissolved and the District, through mutual agreement, took over the assets of the Company and the responsibility of service to the area. In 1950, there was a general annexation of 3192 acres. Again in 1958 an additional annexation of 7277 acres occurred, bringing into the District the land surrounding the Santa Margarita River north of Fallbrook, as well as all remaining "windows" within the outside boundaries of the District. In 1966, the area of 294 acres, comprising the Fallbrook Air Park, was annexed to the District. In 1978, 330 acres located east of Red Mt. was

annexed. These annexations and several minor boundary adjustments with the Rainbow Municipal Water District resulted in the total service area being 16,112 acres as of December 31, 1979.

Water Supplies

Prior to World War II, water for the District came from the Santa Margarita River, San Luis Rey River, and various groundwater wells. Since these supplies were limited in quantity, the annual consumption could not exceed approximately 1000 acre feet per year. When Colorado River water became available in 1948, consumption gradually increased to approximately 10,000 acre feet per year in 1959. From that time until 1979, the average consumption within the District has ranged between 10,000 to 13,000 acre feet annually.

In 1949 and 1950, the District constructed the Red Mountain Reservoir off of East Mission Road, and the Rattlesnake Reservoir on South Mission. Approximately 10 years prior to that time, the one million gallon Martin Reservoir on East Mission and the one million gallon Lange Reservoir in the Calmin area had been constructed as a part of the San Luis Rey pumping facilities. In 1972, the six million gallon Raymond F. Gheen Reservoir on East Mission was completed, and in December, 1979, a 10 million gallon steel tank was completed at Red Mt. and designated as the Franz Sachse Reservoir.

Santa Margarita Project

The history of the Fallbrook Public Utility District and various predecessor agencies has been one of a continuing effort to develop water conservation and storage facilities on the Santa Margarita River.

In 1925, shortly after the incorporation of the District in 1922, an engineering study was made to determine the availability of water in the Santa Margarita River for use within the District. In subsequent years, various studies were made by Federal and local interests. The Bureau of Reclamation began investigations of a Santa Margarita Project in 1945, and the U. S. Army Corps of Engineers also began studies of flood control projects on the River. Concurrently the Dis-

trict was actively pursuing a plan to construct a reservoir at the Fallbrook site and was assisted by the State in this study. In the 40's the Department of the Navy, in order to provide additional dependable water supplies for Camp Pendleton, proposed construction of a reservoir at the DeLuz site down stream from the Fallbrook site, and applications were made to the State Engineer of California by both the District and the Navy Department for permits to construct reservoirs at the above mentioned sites.

In order to accomodate the requirements of both Fallbrook and the Navy Department, and to provide a basis for agreement on water rights, the Corps of Engineers and the Bureau of Reclamation oriented their studies toward developing the DeLuz site to serve both parties. In January 1949, a tentative agreement was reached among several agencies of the Federal Government, the State, and the District on a co-operative endeavor to build a multiple-purpose reservoir at the DeLuz site and to share the costs and benefits of this project. Tentative agreement was also reached on pooling of water rights and apportionment. However, before these agreements were finalized, the United States filed suit in January 1951 to quiet its title to the waters in the Santa Margarita River. Litigation in this matter continued until May, 1966, a period of 15 years. This long and bitter suit between the Fallbrook Public Utility District and the United States received National publicity as the "Fallbrook Case".

In 1954, an effort was made to settle the controversy between the United States and local interests by legislation with the enactment by Congress of P.L. 83-547, the Santa Margarita Project Act. This Act provided for the construction of a dam and reservoir at the DeLuz site and for the division of appropriated water on a 60-40 basis to the Navy and the District. This provision for the division of water was not accepted by the Department of Justice and further litigation was resumed and did not terminate until 1963.

During the period 1958 to 1963, while the trial was in progress, the Navy Department and the District again began to plan separate projects which would serve and benefit their respective areas of interest. The District retained the firm of James M. Montgomery, Consulting Engineers, to prepare a feasibility report for a Fallbrook Dam and Irrigation system, and, upon completion of this report in February 1961, application was made to the Secretary of the Interior for a loan of 4.5 million dollars under P.L. 984, the Small Project Act. These funds, along with other funds available to the District would have enabled construction of the Fallbrook Dam and Reservoir for storage of 30,000 acre feet of water to be appropriated under the existing water diversion permits previously granted by the State. However, the loan was not granted, as the many years of litigation had not produced a formula for division of water that would enable either the District or the Navy Department to build and operate projects totally independent of each other. Moreover, the Court retained continuing jurisdiction over water rights in the River and invited the parties to seek physical solutions that would eliminate further controversies. It became apparent that a joint project by the District and the Federal Government with a negotiated division of water, would be the only alternative to further years of litigation. In recognition of this, the Navy Department, the Justice Department, the Interior Department and the Fallbrook Public Utility District entered into a Memorandum of Understanding and Agreement in March, 1968, which provides for the development of the Santa Margarita Project and the division of water between the Navy Department and the District on a 60-40 basis. In accordance with the agreement, the Bureau of Reclamation would prepare a project feasibility report and all parties to the agreement would actively seek Federal legislation for construction of the project facilities which would provide a dam and reservoir at the Fallbrook site with a capacity of 36,500 AF and a dam and reservoir at the DeLuz site with a capacity

of 142,950 AF. The reservoirs which would be jointly operated as one pool of water by the Bureau of Reclamation, would provide water conservation and storage facilities, flood control capability, and recreational facilities. The total cost of the Project in 1968 was estimated to be $48,675,000 with the Fallbrook share being $13,254,000.

The Bureau of Reclamation completed a preliminary draft of the Feasibility Report for the Santa Margarita Project in January, 1969, and was in the process of preparing the final report when the Environmental Policy Act of 1969 was enacted which required an environmental impact assessment for all Federal projects. This delayed the completion of the feasibility report until September, 1971, at which time the report and a draft of the environmental impact statement were distributed to interested Federal, State and local agencies for review and comment. These comments have enabled the Bureau of Reclamation to compile the final feasibility report and environmental impact statement for the Project.

Authorizing legislation for the Santa Margarita Project was introduced into the U. S. House of Representatives as H. R. Bill 13299 by Congressman John Schmitz in February, 1972. This bill was referred to the House Committee on Interior and Insular Affairs; however, committee action on the bill was not completed prior to the termination of the 92nd Congressional Session. Upon the convening of the 93rd Congressional Session of Congress in January, 1973, Congressman Victor Veysey introduced authorizing legislation for the Santa Margarita Project, H.R. Bill 3023, on January 26, 1973. However, Congressional Committee hearings were not held as the Project Feasibility Report and Environmental Impact Statement were not referred to the Committee for review by the Secretary of the Interior or the Office of Budget and Management. Following the severe drought in California during 1976 and 1977, the District's lack of reserve storage capacity and alternative water supply became readily apparent to the agricultural interests of the District, and through the efforts of the Farm Bureau and other leading citizens and

organizations in the District, popular support was again revived for the Project which resulted in introduction of new authorization legislation by Congressman Clair Burgener. H. R. Bill 6014 was introduced on December 4, 1979. This bill was also referred to the Interior and Insular Affairs Committee and hearings were scheduled for August 26, 1980. At the last minute, the hearings were cancelled due to more urgent matters pending before the committee. H.R. 6014, therefore, died in that session of the Congress. An identical bill, H.R. 1527 was again introduced by Congressman Burgener on February 2, 1981. Efforts by the District are continuing to get hearings scheduled during 1981. The latest cost estimate (January 1975 prices) for the total project is $96,500,000, of which FPUD would be required to reimburse the Federal Government $27,845,000.

Community Effort

Through the years, water development has been a community effort in which many Fallbrook citizens have played a prominent role. The following community leaders have served on the Board of Directors of the Fallbrook Public Utility District during the periods indicated:

NAME	TERM OF OFFICE	YEARS OF SERVICE
Clarence Lamb	1922 to 1946	24
M. D. Gilman	1922 to 1925	3
Burd Meers	1922 to 1926	4
Gilbert F. Maze	1926 to 1940	14
Mr. Einsel	1926 to 1936	10
O. A. Anderson	1936 to 1946	10
P. Fisher	1940 to 1944	4
James E. Potter	1944 to 1947	3
5-Man Board from May, 1946		
Robert T. Gray	1946 to 1952	6
O. P. Heald	1946 to 1952	6
Franz R. Sachse	1946 to 1950 and 1955 to 1956	5
Emil J. Schmitz	1946 to 1959	3
Victor B. Westfall	1947 to 1956	9
Luke Stratton	1949 to 1954	5
Charles D. Sayre	1950 to 1956	6

John H. Griffin	1952 to 1953	1
A. G. VonNormann	1952 to 1953	1
B. M. McDonald	1953 to 1961	8
Frank Capra	1953 to 1955	2
Stewart B. Claar	1954 to 1961	7
Ralph A. Brown	1956 to 1973	17
Frank C. Myers	1956 to 1972	16
Joe Morgagni	1956 to 1960 and 1961 to 1965	8
Paul K. Algert	1960 to	21
Bill Karnauskas	1961 to 1980	19
Ray F. Gheen	1965 to 1972	7
Ronald D. Allison	1972 to 1981	9
Stuart Marshall	1972 to 1981	9
Leo McGuire	1973 to	8
H. Victor Hansen	1980 to	1
C. J. Wolk, Jr.	1981 to	
Merritt Dunlap	1981 to	

The above information has been obtained from the files of the Fallbrook Public Utility District.

Gordon W. Tinker
General Manager
and Chief Engineer

GWT/am

Revised July 28, 1981

Senator MURKOWSKI. Thank you. I appreciate your brevity, and also your effort to bring us up to date on the project.

Our next witness is Mr. Brent Blackwelder, Washington representative for the Environmental Policy Center. We wish you a good day and look forward to your testimony, Mr. Blackwelder.

Mr. BLACKWELDER. Thank you. I have two statements here today, one on each of the pieces of legislation before you.

Senator MURKOWSKI. Why don't you go on Dallas Creek first?

STATEMENT OF BRENT BLACKWELDER, WASHINGTON REPRESENTATIVE, ENVIRONMENTAL POLICY CENTER

Mr. BLACKWELDER. On that project, we are opposed to the attempt to bail out this project through the pending legislation, and we disagree with the chairman that this is a unique situation.

As we see it, two other projects, the Bonneville unit of the Central Utah project which Secretary Broadbent has acknowledged to be in a similar position, also the Delores Creek, could be coming back to you asking for a similar relief, and we are not talking in terms of cheap relief. The Bonneville unit could involve several hundred million dollars of relief if you follow the precedent that would be set by the Dallas Creek project, so we urge you not to pass this legislation, and the course of action we think is appropriate is that this contract was agreed to in violation of the basic principles of reclamation law and that a new contract should be put together if those local beneficiaries think the project is meritorious and worth continuing. That is all I have to say on the Dallas Creek project.

On the Santa Margarita project, in addition to offering a statement on behalf of the Environmental Policy Center, Friends of the River of California, an environmental organization concerned with protection of California's rivers, has asked that this statement also be entered in their behalf.

Senator MURKOWSKI. Your entire statement both covering Dallas Creek and Santa Margarita, will be submitted for the record.

Mr. BLACKWELDER. Thank you. I just make one brief point. We think the authorization at this point of the Santa Margarita project is premature because we lack a feasibility report. That means many, many questions that have been raised this morning are simply not answerable.

We think the proper thing to do is to let that feasibility report be completed and then let us take a look at it and see whether the project merits authorization.

We see several major policy problems with going ahead right now. First of all, this would leap-frog any attempt by the Reagan administration to have cost-sharing policies that it is currently preparing as part of this project.

We also find the language in the bill gives the Secretary the authority to change the project as he sees fit, and that I believe is due to the fact that there is no feasibility report to refer to, and I think you would be abdicating your oversight responsibility to give that a broad a latitude.

Finally, there is in effect an agreement with the Bureau of Reclamation, the California Department of Water Resources, and the

California State Water Resources Control Board, that requires the Bureau to obtain water rights for the project before proceeding with project authorization. To date, those have not been obtained. We think it would be only advisable to have those in place.

There are several environmental questions that are part of my statement, but I think the underlying point is this matter should not be rushed. We should have the feasibility report in hand before further action is taken.

Thank you, Mr. Chairman.

[The prepared statements of Mr. Blackwelder follow:]

ENVIRONMENTAL POLICY CENTER
317 Pennsylvania Ave., S.E., Washington, D.C. 20003
202/547-5330

July 20, 1982

STATEMENT OF THE ENVIRONMENTAL POLICY CENTER IN OPPOSITION TO S. 2568, A BILL TO WAIVE STANDARD REIMBURSEMENT REQUIREMENTS FOR THE DALLAS CREEK PROJECT

The Environmental Policy Center strongly urges the Senate Energy and Natural Resources Committee not to entertain a bail-out of the Dallas Creek Project in Colorado. S. 2568 would waive the normal requirements for reimbursing municipal and industrial water supply costs from a Bureau of Reclamation project. If such standard reimbursement requirements can be cast aside whenever the cost of a water project increases, then the taxpayers of the country will be the ones taking a bath. S. 2568 would shove off onto U.S. taxpayers some $38 million in costs which are normally the responsibility of local sponsors.

Proponents of S. 2568 argue that it simply reaffirms the terms of the existing repayment contract. That contract, however, is highly dubious and appears to be inconsistent with reclamation law for it sets a ceiling of $38 million on water supply repayment regardless of final project costs.

If S. 2568 passes, then we can anticipate similar bailouts for other projects like Dolores and the Bonneville Unit of the Central Utah Project where similar cost increases have occurred.

Respectfully submitted,

Brent Blackwelder

Dr. Brent Blackwelder
Washington Representative

ENVIRONMENTAL POLICY CENTER
317 Pennsylvania Ave., S.E., Washington, D.C. 20003
202/547-5330

Testimony of Dr. Brent Blackwelder, Washington Representative, Environmental Policy Center, before the Senate Energy and Natural Resources Committee concerning the authorization of the Santa Margarita Project, California July 20, 1982.

The Environmental Policy Center is a national conservation organization which specializes in energy, argiculture, and water issues. We appreciate the opportunity to present testimony.

The Environmental Policy Center is in opposition to S. 2684 as currently proposed for the following reasons:

COSTS: Based upon information that we have received, there has been no updated cost figure for this project since 1975. At that point in time the project cost was approximately $200,000,000. To compound this matter, the Bureau of Reclamation has no final feasibility study of the project. In fact, the study is not due to be completed until November 1983. For Congress to authorize a project when they do not know the final cost of the project let alone what they are going to build invites environmental damage and economic disaster.

POLICY: Aside from the fact that the project does not have a completed feasibility report, the authorization of this project would attempt to leap frog any attempt by the Reagan Administration to have cost-sharing policies that they are currently preparing to be made a part of this project. Flood control and water supply for the Marine Corps base are made completely nonreimbursable. Irrigation water is supplied without interest. This bill is a leap backwards in the area of cost-sharing. We do not feel that the taxpayers around the country should be footing the bill for such a risky venture.

In addition, we find the language in the bill that gives the Secretary the authority to change the project as he or she sees fit objectionable. We can only conclude that this language was included because there is still no feasibility report to refer to in the legislation. Giving the Secretary this type of authority is tantamount to giving away Congressional oversight responsibilities.

There is also in effect, an agreement with the Bureau of Reclamation, the California Department of Resources and the California State Water Resources Control Board, that requires the Bureau to obtain water rights for the project before proceeding with project authorization. To date, those have not been obtained. In this era of states rights, it would seem advisable to obtain these before proceeding with the project, especially if the non-federal entities decided to place conditions on the project for its operation and construction.

ENVIRONMENTAL: More than half of the remaining valuable riparian habitat in San Diego County would be inumdated by the project. Riparian habitat is the most threatened habitat type in California, and is estremely rare in urban Southern California. There is no language in the bill, let alone other plans for mitigation for the loss of this habitat.

Another rare commodity in Southern California is free-flowing rivers. Of the 28 miles of free-flowing Santa Margarita River, 11 miles would be covered by the project. With a questionable need for the project, this one would be ruined for a lack of a thorough study.

The Santa Margarita River is one of the major sand producing streams between the Santa Ana River and La Jolla. This sand is vital for beach nourishment and replenishment. Loss of sand from this dam could lead to greater beach loss, including the loss of critical nesting habitat. No mitigation is planned for this loss.

CONCLUSION: We support completing the feasibility study now being undertaken by the Bureau. Congress should not consider authorizing this project until that study is concluded.

98-495 O—82——10

Senator MURKOWSKI. Thank you very much, Mr. Blackwelder. I have some questions for the panel, and I will move through them now.

Mr. McGuire, you obviously, in compiling the history of the proposed project, are aware that Camp Pendleton has operated on wells for some time.

Do you have any historical data as to what is happening to the water table in that area?

Mr. MCGUIRE. No, but we have an expert here. Cap, how is the water table out at the base? Are you holding level? Are you still down or what?

Mr. CAMPO. We are making our water level within the safe annual yield of our base. Our water levels are at this present time, well, they are up now because of the rain.

Mr. MCGUIRE. How is your testing? Is nitrogen coming up? How is the testing on that, the water test on it?

Mr. CAMPO. The total has increased.

Mr. MCGUIRE. So we are looking at a deteriorating well field there, and of course, with an increase of any kind, why they are going to definitely need more water.

Senator MURKOWSKI. Does the Fallbrook Public Utility use ground wells as well?

Mr. MCGUIRE. No.

Senator MURKOWSKI. They are totally dependent on the Colorado?

Mr. MCGUIRE. That's right.

Senator MURKOWSKI. So if this project were completed and Camp Pendleton would draw 60 percent of the available supply generated, I assume they would have a considerable amount of water still in the ground?

Mr. MCGUIRE. Yes. It would be a backup. It would be a safety factor there for the military.

Senator MURKOWSKI. Why don't you use wells within the Fallbrook District?

Mr. MCGUIRE. We really, well, we were stopped by the Government in two different places, on the Santa Margarita and also on the river called the San Luis Rey. We had a litigation that goes back to 1952 where we stopped using water out of the San Luis Rey River which is another river south of our town.

Senator MURKOWSKI. Why did the Government object to taking water?

Mr. MCGUIRE. There was an Indian problem and also another district was needing water that was formed to the south of us, but the wells right now, believe me, and I had a well at one time, the well on my grove, the grove would be terrible if I used that water. The leaves would be burned up before 3 or 4 months. The wells are lousy now in our own area of Fallbrook because of, well, fertilization going down to the soil. There is minerals it is picking up.

It is just not like it was 30 years ago, the wells, believe me, and the table has dropped because we had those 2 drought years.

Senator MURKOWSKI. Mr. Tinker, you spoke of the anticipated shortage, the fact that Fallbrook is drawing more than they are authorized to draw theoretically from the Colorado River.

Mr. TINKER. That is correct.

Senator MURKOWSKI. Have you ever had a shortage where you were actually limited?

Mr. TINKER. To the best of my recollection, 1977 was the most recent one when the Colorado River aqueduct was flooded with the landslide and we essentially told all agricultural grove managers to stop watering, period, and in some districts we didn't have to do it, but some of the neighboring districts actually locked out agricultural meters during that period of time.

Senator MURKOWSKI. That wasn't due to the fact that there wasn't water but due to a landslide?

Mr. TINKER. That's right, but it was due to the fact you couldn't get the water to us because we only—like right now.

Senator MURKOWSKI. The water was there?

Mr. TINKER. It was somewhere else. It wasn't in our district. We only got 2 days' worth of storage.

Senator MURKOWSKI. Have you ever had a shortage just based on the fact that there wasn't enough water there?

Mr. TINKER. Not to my recollection.

Mr. MCGUIRE. I wonder if I could break in here?

Senator MURKOWSKI. What are the projections as to what the future holds? You have got an average runoff. You have got some averages, historical data based on the increased growth in the area, agricultural population, and so forth?

Mr. TINKER. This project will give us a reservoir to hold 36,000 acre-feet of water. Our current consumption is about 15,000 acre-feet per year, and we are only a district of 16,000 acres. We are looking at totally built-out district, maximum utilization would be in around 22,000 to 24,000 acre-feet total, so this reservoir will give us the insurance policy of at least 2 years supply under current demand, 1½-year supply for the maximum demand.

Senator MURKOWSKI. Well, there is nothing wrong with an insurance policy, but if you have only had one instance where there has been a threat and it hasn't been based on the availability of water but rather a landslide—not that that couldn't occur, but I am more curious as to what the projections show historically.

Mr. TINKER. It is a matter where the water is coming from. In the past we have lived off the Colorado River which has storage capacity of 64 million acre-feet. In the future, our imported supply is going to be 80 percent State water and 20 percent Colorado water. The State's system only has 5 million acre-feet of storage. We have been very lucky living off the Colorado.

Senator MURKOWSKI. You anticipate that the central Arizona project will result in less water being made available to you?

Mr. TINKER. We are looking at the metropolitan water district having less water available to them in 1985 than they sold in 1975 and 1976.

Senator MURKOWSKI. So then you would theoretically be under greater exposure at least from the standpoint of having enough water?

Mr. TINKER. Absolutely.

Senator MURKOWSKI. I see. I would like to have for the record a little more definitive testimony as to how expansion of the central Arizona project, as it draws on the Colorado River, will result in a

decrease of water allocation to Fallbrook and/or San Diego County Water Authority, either one.

Mr. TINKER. We will be happy to provide that for you.

Senator MURKOWSKI. I think that is appropriate to have. Mr. Burzell, tell me a little bit about the problems associated with the salinity of the Colorado River water.

Mr. BURZELL. The Colorado River supply comes to us at about 750 parts per million.

Senator MURKOWSKI. You are about on the end of it?

Mr. BURZELL. There are users downstream from us that are in worse condition, but the 750 parts per million is not that bad.

Senator MURKOWSKI. Gee, I hear the Mexicans aren't too happy with it.

Mr. BURZELL. Down there they are below a discharge that comes from a point in Arizona, and it goes up to about 2,000 parts per million, and that is where it was found not acceptable and caused the international problems that we had in Mexico a few years ago, and that problem is currently being resolved by bypassing the project's return water.

Senator MURKOWSKI. I wasn't aware it had been resolved, so you don't really have a salinity problem?

Mr. BURZELL. We don't now that we are blending the Colorado River supply we are getting with some northern California water that comes to us at about 250 parts per million at a 50/50 blend. We are down 500 parts per million. That generally meets the U.S. health requirements.

Senator MURKOWSKI. At the Margarita watershed, is there a salinity problem?

Mr. BURZELL. At the present time we think the salinity will not be a problem from the water that is produced from that project.

Senator MURKOWSKI. I see. Mr. Roberts, you are the agricultural expert. The type of crops that are not the annual crops, I assume an avocado tree must be several years old before it produces, and if it is not watered over a period of time you lose it and you don't get it next year.

Can you relate for the record the value of this perennial production as opposed to an annual crop—not that you don't have an annual crop with the avocados, but if you lose your trees they are not going to be productive until they are replanted and growing again?

Mr. ROBERTS. That is correct. I can give you specific figures for last year. Our avocado income was almost $45 million. Our nursery products were $89 million. We have winter tomatoes that I spoke of that were $66 million, and Valencia oranges, $20 million. All of these crops are crops that are more or less unique to southern California.

Senator MURKOWSKI. Are they subject to the Medfly?

Mr. ROBERTS. Yes, they are. We didn't have the Medflies down south. There were a couple of flies in Los Angeles.

Senator MURKOWSKI. Why? Did you spray?

Mr. ROBERTS. No. I guess we were lucky. I would like to answer a couple other questions that I think were a little bit misleading here, what was said.

The water quality of the Colorado River water is good enough to use the first time, but when that water is percolated into the ground along with the nutrients that go into the ground, the water as it is pumped out of the wells at that point is not usable for agriculture, and that is what Mr. McGuire was talking about the wells deteriorating, and I think that is something we are faced with.

As far as water reclamation bills, when the water goes through a sewage plant starting with this high salinity content, by the time it has gone through it is very, very expensive to reclaim the water and bring the salt content down to where it is usable even for agriculture.

Senator MURKOWSKI. I appreciate your clarification on that.

Mr. Blackwelder, in your comments concerning the Dallas Creek project you indicated your opposition, and I would like a definitive answer as to whether or not you are opposed to the project because of the obvious significant cost overrun, or are you just opposed to the project?

Mr. BLACKWELDER. There are generally three areas that we look at when evaluating our position on a water project: Is it economically acceptable? Is it environmentally acceptable? Is it socially acceptable, in line with national priorities? And I submit to you that the Dallas Creek project flunks on all three grounds.

As we see it, this bill would attempt to relieve one particular aspect of it, the question of economics, and we are opposed to it for those grounds, but to elaborate further than that, if we removed that, there would still be other objections that we have to consider. One of the objections relates directly to this. The problem here is that that is taking water out of the Colorado River up high where it is fresh for a project which is not in our judgment economically meritorious.

That water should go downstream. It could then be used, for example, continue to be diverted to California. Since the Colorado compact is in place, we have argued serious consideration should be given to upper basin States actually leasing on a long-term basis water to California where you have a greater growing season and better land to provide for these crops.

Senator MURKOWSKI. In your opinion, or do you have an opinion as to the actual water rights to this? Has Colorado a greater right to it than California?

Mr. BLACKWELDER. It seems to us that the compact which went all the way to the Supreme Court actually settled the question of entitlement on the part of each State. We know how much each State has. They choose to go ahead and divert it, but I think in spite of that compact being in place now you can say Colorado has a certain amount of water. If it chooses to use it for these projects, or it might in fact use it in some more beneficial way such as leasing it to another State--by virtue of the compact it is in a position to do this.

If there were no compact, then you couldn't make that kind of proposal.

Senator MURKOWSKI. We have heard testimony from the State representative of Colorado that they evidently feel it has a priority sufficient enough for——

Mr. BLACKWELDER. That is their judgment. I point out to you that the General Accounting Office investigated the Dallas Creek project a year ago, and on March 13, 1981, reported that it was one of six that it looked at that it could not find any economic justification for the project.

Senator MURKOWSKI. Do you have any reason to suggest why that project was originally approved?

Mr. BLACKWELDER. It was one of the projects that Congressman Wayne Aspin secured in the bargain for the original authorization of the Arizona project in 1968. There was a group of very marginal projects at the time it was authorized, and in exchange for that big authorization of the central Arizona project, the bargain was that a certain group of Colorado projects would simultaneously be authorized and built.

Senator MURKOWSKI. It is my understanding 50 percent of this project has been completed. That was the testimony given.

Mr. BLACKWELDER. That is not the figures that I have. In view of the cost escalation of the project, the percentage complete has stayed roughly constant, and we have recently competed out the percentage complete of the major group of reclamation projects, and they are going backward in terms of percentage complete.

In other words, what I am saying to you is that 2 or 3 years ago a project may have been 18 percent complete. Now it may be only 16 percent complete, and part of the reason is that the costs are going out of control for some of the reasons that you have heard this morning. It is a serious situation.

Senator MURKOWSKI. Engineering costs are 50 percent of the project. We also heard this was 50 percent done, and I am going to specifically ask the Commissioner for clarification on that point.

Assuming it is 50 percent done and a significant expenditure would be extended in dropping this project, I assume that you figure the Government could just save the rest of the money and whatever has been expended would just be forgone?

Mr. BLACKWELDER. Exactly, that you are throwing good money after bad.

Senator MURKOWSKI. Do you have any other suggestion on where this water might be used on a higher priority than this project?

Mr. BLACKWELDER. Yes. I suggest that it is a far greater priority that the water be used in California where the growing season is substantially greater and this would provide revenues for Colorado so that they would gain, but California as we have heard would like some assurance on that, and it would also gain and be willing to pay.

Senator MURKOWSKI. In your testimony as prepared for the Santa Margarita project which I gather is also including some other groups, is it the California free-flowing river?

Mr. BLACKWELDER. Friends of the River in California.

Senator MURKOWSKI. OK. Testimony was given as to the successful acquisition of water rights. You indicate in your statement that water rights were not obtained.

Mr. BLACKWELDER. It is based upon my inquiry to the State of California. Those are not resolved at this point.

Senator MURKOWSKI. I would request in the record that we have some clarification of that because we have had conflicting testimony.

Mr. BLACKWELDER. I would say, Mr. Chairman, my information is that call to the State to ascertain whether that was the case.

Senator MURKOWSKI. Mr. Tinker, could you clarify in your opinion as to what the status of water rights is?

Mr. TINKER. Our water rights were obtained in 1948 from the State board. There are three permits that were issued for 10,000 acre-feet of storage apiece. Those permits were turned over by our district in 1974 to the Bureau of Reclamation specifically for this project.

Senator MURKOWSKI. Are there water rights being contested at this time?

Mr. TINKER. There are no water rights being contested at this time, Senator.

Senator MURKOWSKI. Mr. Blackwelder, do you have any comments?

Mr. BLACKWELDER. No; only the point that I made that in checking with the California Department of Water Resources, this situation is not resolved.

Perhaps I think the committee should seek some sort of written assurance or further information. The best that I have to tell you is that they are not resolved.

Senator MURKOWSKI. Would any other member of the panel care to comment on that specific point?

Mr. MCGUIRE. We think we are well covered.

Senator MURKOWSKI. I think it should be ascertained and will be by the professional staff.

When is the feasibility report due?

Mr. TINKER. Senator, the feasibility report was finished in 1971. The environmental statement was finished in 1976. The Bureau of Reclamation is currently updating those studies to reflect the current economics and the current environmental concerns, but the report has been finished.

Senator MURKOWSKI. When will that update be done?

Mr. TINKER. Approximately 15 months from now.

Senator MURKOWSKI. I assume, Mr. Blackwelder, you are referring to that update?

Mr. BLACKWELDER. Exactly; November 1983 is the date we have for the completion of that.

Senator MURKOWSKI. And your suggestion is that we wait until that report is out and then take a look at it and if it is favorable do what?

Mr. BLACKWELDER. Yes, to look at, see if it is favorable in terms of economics, in terms of the environmental questions that have been raised, in terms of the cost sharing. Yes; that is exactly the point.

Senator MURKOWSKI. If it is favorable, what would be your recommendation?

Mr. BLACKWELDER. If favorable in all those regards, then we would have no objection, and if in fact it shows problems, then we would be probably in opposition.

Senator MURKOWSKI. Have you testified in favor of a development project of this kind before?

Mr. BLACKWELDER. We have testified in favor of a number of water resources projects.

Senator MURKOWSKI. They met the criteria?

Mr. BLACKWELDER. Yes, indeed.

Senator MURKOWSKI. Which is the economics and cost ratio and environmental, so this could very well be one of those that you would support?

Mr. BLACKWELDER. Depending upon the outcome of these feasibility reports, yes.

Senator MURKOWSKI. We would like to have a list of those projects that you have supported.

Mr. BLACKWELDER. I could tell you right now.

Senator MURKOWSKI. You may.

Mr. BLACKWELDER. The Charles River Watershed project in Massachusetts; the Indian Wash project in Arizona; the Shane project in Wisconsin; the Wilton, Colorado Project in the Denver area. Those come to mind right away.

Senator MURKOWSKI. So this one very well may be one that you may support based upon your review of the update of the feasibility report?

Mr. BLACKWELDER. Well, I make the point that there are certain environmental questions that we raise here, and I would say that some of those concerns are pretty serious. I am not sure that the report is going to be able to resolve those.

Senator MURKOWSKI. Are you referring to the question of the free-flowing nature of the Margarita River?

Mr. BLACKWELDER. The question is you have a limited amount of habitat there, and this would drown out that limited amount of habitat which is pretty scarce in southern California.

We heard testimony this morning that the project would create additional habitat and provide these benefits. I submit a final feasibility study could answer some of those questions. It looks to us very serious right now, that it would have a major adverse effect.

Senator MURKOWSKI. Is the Santa Margarita a free-flowing river?

Mr. BLACKWELDER. In terms of being undammed in the stretches that we are concerned about—that is the question of the riparian habitat. I think there is misunderstanding in terms of the value of rivers, that people think unless there is some sort of constant flow with no fluctuations——

Senator MURKOWSKI. Can you take a boat up?

Mr. BLACKWELDER. No; in terms of boating on the river, I don't think, that is not a river that you use for boating. The concern is riparian habitat, hiking potential, scenic values.

Senator MURKOWSKI. Can you use it in the normal sense of a river? Can you take a canoe down it? Can you go fishing in it?

Mr. BLACKWELDER. I don't think—other than an exceptional period of time, you would not consider it a boating river. Is that the question you have?

Senator MURKOWSKI. I asked you.

Mr. BLACKWELDER. No, I don't think that, but on the other hand——

Senator MURKOWSKI. When you develop a synonymous statement of a free-flowing river, at least in my mind——

Mr. BLACKWELDER. It means undammed.

Senator MURKOWSKI. It means there is some water flowing in it. You can do something with the river.

Mr. BLACKWELDER. Mr. Chairman, may I make a point?

Senator MURKOWSKI. I think I made my point. That is my definition of a free-flowing river.

Mr. BLACKWELDER. For example, in some of the greatest wildlife values, along any streams in the desert Southwest, the riparian habitat there is extraordinary, and those streams have that habitat because they have not been dammed or had their flows controlled.

You don't boat them. You hike along them, look at them, and I have done that on any number of occasions, but they are not the streams that you go white water canoeing on, for example.

Senator MURKOWSKI. No, but you could go canoeing, and on this one I gather you can't do that unless it happens to be in the flood stage.

Mr. BLACKWELDER. I will check and provide for the record the amount of time during the year in which in this stream these activities would be used.

Senator MURKOWSKI. That would be most helpful. I think we have pretty well kicked this thing around to the point where we know where we need some additional clarification with regard to statements that have been made.

I want to thank all of you for your attention and excellent testimony that has been developed here this morning, and again Dr. Blackwelder, Mr. Roberts, Mr. Burzell, Mr. Tinker, and Mr. McGuire, we appreciate your contribution which we think has been significant.

I would like to remind you that the hearing will remain open from the standpoint of submitting additional testimony for the next 2 weeks, and professional staff will be in touch with those of you who have indicated your willingness to submit additional testimony from the standpoint of clarification.

With that, the hearing is adjourned, and I wish you a good day.

[Whereupon, at 12:22 p.m., the hearing was adjourned.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Resources Building
1416 Ninth Street
95814

(916) 445-5656

Department of Conservation
Department of Fish and Game
Department of Forestry
Department of Boating and Waterways
Department of Parks and Recreation
Department of Water Resources

EDMUND G. BROWN JR.
GOVERNOR OF
CALIFORNIA

THE RESOURCES AGENCY OF CALIFORNIA
SACRAMENTO, CALIFORNIA

Air Resources Board
California Coastal Commission
California Conservation Corps
Colorado River Board
Energy Resources Conservation and Development Commission
Regional Water Quality Control Boards
San Francisco Bay Conservation and Development Commission
Solid Waste Management Board
State Coastal Conservancy
State Lands Commission
State Reclamation Board
State Water Resources Control Board

AUG 11 1982

Honorable Frank H. Murkowski
United States Senator
Subcommittee on Water and Power, Chairman
Immigration and Naturalization Building
119 D Street, N.E., Room A422
Washington, D.C. 20510

Dear Senator Murkowski:

The State of California has reviewed HR 1527 introduced by Congressman Burgener to authorize construction of the Santa Margarita Project in California. In summary, the State opposes HR 1527 because the information that supports such authorization is outdated and there remain serious, unresolved environmental, water rights, public safety, and economic issues. It is premature to consider authorization of this project without current and specific knowledge of its benefits and costs, its impacts and whether mitigation of these impacts is possible, and what alternatives are available to meet project goals.

More than a decade has elapsed since the major project studies were completed in 1969. Although the U.S. Bureau of Reclamation (USBR) is updating the feasibility report and Environmental Impact Statement (EIS) to bring certain key studies in line with current criteria, these updates will not be completed until November 1983.

HR 1527 contains no specific recognition of the project's impacts nor the obligation to mitigate or compensate for these impacts. There are several areas where we see no viable means to compensate adequately the significant impacts the project would have on such resources as riparian wildlife habitat and beach renourishment. These and other areas of concern about HR 1527 are addressed below.

Fish and Wildlife Resources

Section 2 of the bill which states "the conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities shall be in accordance with provisions of the Federal Water Project Recreation Act . . . " is clearly an unacceptable approach and contrary to historic actions by Congress. The Federal Water Project Recreation Act requires substantial local cost sharing, whereas, the Fish and Wildlife Coordination Act

requires that mitigation and compensation costs be reimbursable project costs that are passed onto the direct beneficiaries of the project. It also requires full consideration of fish and wildlife impacts and mitigations. Costs allocated to enhancement, however, usually are treated as nonreimbursable similar to flood control costs. Since 1970, urban, agricultural, and water project development in San Diego County have cumulatively impacted wildlife and fisheries habitats to a very great extent. The riparian woodlands in the proposed project site represent the majority of the riparian wildlife habitat left in San Diego County. The preservation of riparian woodlands and coastal wetlands is one of the top resource management priorities in the State of California. Twelve to fifteen miles of riparian woodland, totalling some 1,520 acres, would be inundated by the proposed project. Additionally, unknown acreage of downstream riparian habitat may be impacted due to reduced stream flow.

The riparian woodland which would be lost is an important nesting and foraging area for the endangered least Bell's vireo and a large assemblage of other wildlife.

Additional wildlife impacts are anticipated at the mouth of the Santa Margarita River where there exists an important and sensitive marsh wetland habitat. This area contains nesting grounds for the endangered California Least Tern and other wetland dependent species.

Beach Erosion

HR 1527 does not address the loss of the beach sand that would be trapped behind De Luz and Fallbrook Reservoirs. It also does not address the accelerated beach erosion and bluff/cliff erosion that could occur due to lack of beach nourishment from this coastal stream group.

Water Rights

HR 1527 ignores the July 16, 1979 interagency agreement that provides for maximum coordination between State and Federal authorities to eliminate conflicts between the plan of a water project and the terms and conditions of water right entitlements. The "Memorandum of Understanding Regarding Procedures for Coordination of Water Rights, Environmental Impact Statement Review, and Federal Project Authorization Between the State Water Resources Control Board, the State Department of Water Resources and the United States Bureau of Reclamation" (signed July 16, 1979 and attached) is intended as a means of avoiding recurrence of protracted litigation. It promulgates ordered procedures which require, as the final step, that the Secretary of the Interior include the State Water Resources Control Board's water rights decision with the project proposal which is submitted to Congress with the proposed authorization bill for the project. Thus, when Congress authorizes the project it should be able to consider the terms and conditions of the water rights

decision and give any clear directives regarding any terms or conditions it intends to overrule. Those not overruled would clearly be effective. The U.S. Supreme Court in California v. U.S., 438 U.S. 645, 57 L.Ed.2d 1018, 98 S.Ct. 2985, 46 U.S.L.W. 4997, held that a state may impose conditions on the control, appropriation, use or distribution of water through a federal reclamation project that are not inconsistent with "clear Congressional directives" regarding the project.

The State Water Resources Control Board has issued four water permits to the USBR authorizing appropriation of water at Fallbrook and De Luz Reservoirs. In 1976, the Board adopted an order granting time extensions on all four permits until December 31, 1982 to complete construction, and until December 31, 1985 to begin use of water. Prior to December 31, 1982, the USBR may be expected to petition the Board for further extension of time to construct the project. Notice of the USBR petitions would be given and protests received. If any protests filed could not be resolved, the Board would hold a hearing and take testimony from the project sponsor and from those opposed to the project. A Board order would then be issued either granting further time extension or revoking the permits. The updated feasibility report and EIS are essential elements in this process.

If HR 1527 were to pass now, any State Water Resources Control Board decision modifying permit terms and conditions as a result of the updated feasibility study and modified EIS would not be before Congress for its consideration in making the reauthorization. Ordinarily, a specific plan to be authorized by a bill is included by reference in the language of the bill. HR 1527 merely refers to "the plan" and does not permit Congress the opportunity, as specified in the MOU, to consider a specific modified plan to be authorized along with any modified Board decision regarding the water rights.

In addition, the language seems to be a plenary delegation of authority to the Secretary of the Interior. It would allow him to modify, omit, or make such additions to the works, as he may find proper and necessary (page 1, line 8 and page 2 lines 1 and 2). To our knowledge, this language has not been used in past authorization bills. It might be construed as a clear Congressional directive pursuant to California v. U.S., supra, that the Secretary of the Interior is receiving a blank check authorization for the project and may do as he pleases and ignore state water right entitlement terms and conditions.

Fire Protection

The project area is subject to high wild fire occurrence and would impact several fire protection jurisdictions. Issues of concern include the project's effect on wildfire-flood sequence and subsequent siltation, increased public use, ingress-egress, and evacuation roads and conveyance lines.

Economics

In 1975, the project would have cost about $96.5 million, but this figure has not been updated. Today the project would cost about $200 million. An updated benefit cost analysis needs to be completed before the project is authorized.

Sincerely,

Huey D. Johnson
Secretary for Resources

Attachmment

cc: Honorable Mark O. Hatfield
United States Senator
463 Russell Senate Office Building
Washington, D.C. 20510

Honorable Lowell P. Weicker
United States Senator
313 Russell Senate Office Building
Washington, D.C. 20510

Honorable Malcolm Wallop
United States Senator
204 Russell Senate Office Building
Washington, D.C. 20510

Honorable Donald L. Nickels
United States Senator
6327 Dirksen Senate Office Building
Washington, D.C. 20510

Honorable John Melcher
United States Senator
253 Russell Senate Office Building
Washington, D.C. 20510

Honorable Wendell H. Ford
United States Senator
363 Russell Senate Office Building
Washington, D.C. 20510

Honorable Paul E. Tsongas
United States Senator
362 Russell Senate Office Building
Washington, D.C. 20510

Honorable Bill Bradley
United States Senator
2107 Dirksen Senate Office Building
Washington, D.C. 20510

MEMORANDUM OF UNDERSTANDING
REGARDING PROCEDURES FOR COORDINATION OF
WATER RIGHTS, ENVIRONMENTAL IMPACT STATEMENT REVIEW,
AND FEDERAL PROJECT AUTHORIZATION
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD,
THE
STATE DEPARTMENT OF WATER RESOURCES,
AND THE
UNITED STATES BUREAU OF RECLAMATION

The State Water Resources Control Board (State Board), the State Department of Water Resources (Department), and the United States Bureau of Reclamation (USBR), in order to assure proper coordination in the process of Federal project formulation and authorization, preparation, and clearance of environmental impact statements, and State water rights determination, consider it to be desirable to agree upon a procedure to be followed when Federal water projects (which include appropriation of the waters of the State of California) are proposed. The parties therefore do agree as follows:

I. General Understanding

Maximum coordination between State and Federal authorities is necessary to achieve responsible management of the water resources of the State.

II. Specific Objective

The objective of this Memorandum is to eliminate conflicts between the plan of the authorized project and terms and conditions of California water right entitlements early in the planning process.

III. Procedure

The following procedure will be followed by the parties to this memorandum with respect to USBR project proposals:

1. Preliminary investigation by USBR to appraise the possibilities of developing a viable project proposal. All interested California persons and agencies, including but not limited to, the State Board and the Department, will be kept informed of the initiation and progress of such preliminary investigations.

2. Initiation by USBR of a Feasibility Study, following authorization of a study by Congress.

3. Involvement in the planning and project formulation process by representatives of the State Board, along with other local, State, and Federal agencies, within any administrative and legal constraints, as a function of a total public involvement program. The involvement shall consist generally of keeping the agencies informed of the status of planning and project formulation work being conducted and furnishing them with copies of reports, studies, and other documents as prepared.

4. Completion of the USBR Regional Director's Proposed Feasibility Report of a project plan and a "working paper" EIS and their distribution to all appropriate persons and agencies for informal review comments.*

5. Filing by USBR of a water rights application or request for assignment or release from priority of State filings, as appropriate under the specific circumstances.*

6. Informal review comments prepared by all state agencies, including representatives of the State Board, and the consolidation by

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* "4" may be concurrent with "5".

98-495 O—82——11

the State of these review comments in identifying the State's position on the plan of development, excluding such determinations as must await exercise of any applicable State Board adjudicatory functions.**

7. State Board processes water rights application or request for assignment or release from priority of a State filing preparatory to water right hearing where applicable.**

8. The USBR pursues its report and EIS preparation and clearance process, taking into consideration all appropriate review comments received, and proceeding through all steps necessary to evolve an adopted Secretary of Interior Proposed Report and transmits draft EIS to the Environmental Protection Agency.

9. Such Proposed Report, as provided in section 1(c) of the Flood Control Act of 1944 or other pertinent statutes; and such draft EIS, as provided for by administrative determination, are submitted by the Secretary or his representative to all appropriate parties, including the State of California, for review.

10. State Board holds water right hearing on USBR water rights application.

11. State Board adopts water rights decision including appropriate terms and conditions to be placed in any water right permit issued to USBR.

12. Feasibility report and EIS revised where determined to be appropriate by USBR following receipt of all review comments.

** "6" may be concurrent with "7."

13. Secretary includes State Board decision with project proposal submitted to Congress.

IV. Cooperation and Periodic Review

The State Board, Department, and USBR agree that they will cooperate and mutually assist each other in all appropriate ways necessary to promote maximum effectiveness of the revised procedure which will become effective upon approval by all participating parties. In this connection, the Department agrees to cooperate in the manner as set forth herein in the planning and formulation of its projects. Periodically, the parties will review the procedure and consider revisions as desirable to promote the objectives identified in this Memorandum.

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

Dated: July 13, 1979

W. Don Maughan, Chairman

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Dated: July 16, 1979

Ronald B. Robie, Director

UNITED STATES BUREAU OF RECLAMATION

Dated: July 16, 1979

R. Keith Higginson, Commissioner

Assembly Joint Resolution No. 66

RESOLUTION CHAPTER 28

Assembly Joint Resolution No. 66—Relative to the Santa Margarita Project.

[Filed with Secretary of State May 21, 1980.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 66, Kelley. Santa Margarita Project.

This measure would memorialize the President and the Congress to authorize the construction of the Santa Margarita Project in northern San Diego County and to provide the initial funding for the project.

WHEREAS, The Santa Margarita Project is proposed as a Bureau of Reclamation multiple-purpose project in northern San Diego County, California, near the town of Fallbrook; and

WHEREAS, The project would consist of two dams and reservoirs on the Santa Margarita River, Fallbrook Dam, which would impound 36,150 acre-feet of water, and the DeLuz Dam, which would impound 100,000 acre-feet of water, and conveyance lines to serve the Fallbrook Public Utility District and the Marine Corps Base at Camp Pendleton; and

WHEREAS, The project would supply vitally needed supplemental municipal and industrial water to the Fallbrook Public Utility District, as well as provide for flood control, recreation, fish and wildlife enhancement, and regulation of imported water; and

WHEREAS, The two reservoirs would retain and deliver an average of 15,540 acre-feet of streamflow per year, which would be divided between Camp Pendleton and the Fallbrook Public Utility District; and

WHEREAS, It is essential that the Santa Margarita Project be authorized and constructed at the earliest possible time to prevent a possibly catastrophic water shortage within the area of the project in the near future; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to authorize the construction of the Santa Margarita Project in northern San Diego County and to provide the initial funding necessary to enable construction of the project to commence; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

No. 3

WEDNESDAY, JULY 14, 1982

RESOLUTION
OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN DIEGO
SUPPORTING LEGISLATION PENDING BEFORE THE U.S. CONGRESS
FOR
THE CONSTRUCTION OF THE SANTA MARGARITA PROJECT

ON MOTION OF Supervisor Fordem, seconded by Supervisor Hamilton, the following resolution is adopted:

WHEREAS, the proposed Santa Margarita Project facilities provide a means for impounding and conserving the natural flows of the Santa Margarita River, a coastal stream north of San Diego, California, in the Fallbrook area; and

WHEREAS, the construction of these facilities has been under consideration for many years by the Fallbrook Public Utility District and Marine Corps Base, Camp Pendleton; and

WHEREAS, the Fallbrook Public Utility District, the Secretary of the Interior, Secretary of the Navy, and the Attorney General entered into a Memorandum of Understanding and Agreement March 4, 1968, to proceed jointly with unified and comprehensive programs for sound management and maximum beneficial utilization of the water resources of the lower Santa Margarita River; and

WHEREAS, based on the Feasibility Report prepared by the Bureau of Reclamation, the Santa Margarita Project represents a desirable water resource development that would strengthen the economy of the area, State, and nation, and the project is feasible and economically justified as demonstrated by a highly favorable cost-benefit ratio; and

WHEREAS, the Project facility not only provides for water conservation and essential storage for emergencies to support present water imports, sole source of water supply for the area, but will provide a means for flood control, wild life enhancement, water-oriented recreation, and the Environmental Impact Report (INT-FES-76-32) concludes that there would be enhancement of the human environment if the Project facilities are constructed; and

WHEREAS, the Board of Supervisors is concerned about the availability of imported water supplies in future years and the need to develop all local sources of water, including reclamation, and that the North County area is the most deficient area in terms of local supplies and local storage facilities.

WHEREAS, based upon these attested benefits of the Santa Margarita Project, the Board of Supervisors of San Diego County on May 23, 1979, adopted a resolution requesting introduction of legislation in the U.S. Congress authorizing and appropriating funds for the construction, operation and maintenance of the Santa Margarita Project; and

WHEREAS, such legislation has recently been introduced in both the U.S. Senate and House or Representatives,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the

County of San Diego, State of California, strongly supports federal legislation pending before the U.S. Congress which would authorize and fund the construction, operation and maintenance of the Santa Margarita Project, Fallbrook, California.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Diego, State of California, on this 14th day of July, 1982 by the following vote:

AYES: Supervisors Hamilton, Fordem, Hedgecock

NOES: Supervisors None

ABSENT: Supervisors Bates, Eckert

STATE OF CALIFORNIA)
County of San Diego) ss.

I, PORTER D. CREMANS, Clerk of the Board of Supervisors of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution passed and adopted by said Board, at a regular meeting thereof, at the time and by the vote therein stated, which original resolution is now on file in my office; that the same contains a full, true and correct transcript therefrom and of the whole thereof.

Witness my hand and the seal of said Board of Supervisors, this 14th day of July, 1982.

PORTER D. CREMANS
Clerk of the Board of Supervisors
By Barbara Thureson
Deputy

(SEAL)

July 9, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Senator Murkowski:

The Fallbrook Citizens Planning Group has supported the Santa Margarita Dam concept since the origin of the Fallbrook Planning area and the Planning Group. The Fallbrook area is basically oriented toward an agricultural rather than an industrial base and consequently is dependent on water. Without adequate water, we will not only not grow but may very well diminish.

Because our body consists of members elected by the Fallbrook area citizens, we are responsible not only to the County Board of Supervisors, but also to the Fallbrook electorate. For this reason, we re-opened the Santa Margarita Dam issue to re-examine the effect of the Dam on the environment and atmosphere of life in our community. Studies were made by our standing committees: Land Use, Circulation Element, Parks and Recreation, and Public Facilities. These studies were co-ordinated with staff of the County of San Diego, to whom we look for planning recommendations.

The results of the studies briefly show the following:

1. Public Facilities, which are basically provided by the County of San Diego and Special Districts, can adequately provide for the necessities such as fire protection, police, schools, etc.

2. Parks and Recreation programs will be enhanced because of provisions provided for recreation in the area of the dam now envisioned by the Fallbrook Public Utility District and the Department of the Interior.

3. The Circulation Element may be strained during the potential construction of the dam but present and projected roads for transportation appear adequate to provide traffic with satisfactory facilities.

4. The Land Use area was carefully analyzed because we were questioned relative to undesirable increased population. We are fortunate here in that the Fallbrook area has a Community Plan which has been approved by the community and the County Board of Supervisors. It is now part of the San Diego County General Plan. The Plan is all encompassing and zones all land within the Fallbrook area. This sets the maximum population.

Our present population is approximately 22,000. When all parcels are built on and populated within the restrictions of the established zoning ordinance, the population will reach a maximum of 36,000 to 40,000. These figures were projected by San Diego County and Sandag, the San Diego County Association of Governments. Zoning cannot be changed without changes in the General Plan and this is remotely unlikely except in isolated cases.

For the above reasons, the Fallbrook Citizens Planning Group continues to endorse the construction of the Santa Margarita Dam Project and looks forward to the benefits that will be realized.

Gib Moudry
Chairman
Fallbrook Citizens Planning Group

GM/am

FALLBROOK CHAMBER OF COMMERCE

300 N. MAIN • P. O. BOX 671 • FALLBROOK, CA 92028 • (714) 728-5845

July 2, 1982

The Honorable Frank Murkowski
Chm. Sub-Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C.

RE: S-2684, Santa Margarita Project

Dear Senator Murkowski:

The Fallbrook Chamber of Commerce respectfully asks that the Senate take action to provide funding for the Santa Margarita Project.

Looking to the past, this project is long overdue. The past need has been well documented and the future need is even more imperative.

A loss of Colorado River water by 1985 and the recent voter rejection of the Peripheral Canal Project by California voters means that implementation of the Santa Margarita Project is even more necessary for us here in Fallbrook and at the adjoining United States Marine Corps Base, Camp Pendleton.

It will be most appreciated by the Fallbrook Chamber of Commerce and the agricultural interest in our community, if you and your sub-committee can make this long sought water need a realty.

Sincerely,

Jack McClain

Jack McClain
President

JM/chg

AGBC

Avocado Growers Bargaining Council

Serving the Interests of All Growers of California Avocados

1175½ East Mission Road
Fallbrook, California 92028
Phone 728-6004 and 6014

G. J. Clasen ..... *President*
728-7955
Allen Chaikin ..... *Secretary*
728-7809
Harvey Durbin ..... *Treasurer*
724-3094
Robert Ranney ... *Field Consultant*
728-9494

July 16, 1982

Senator Frank Murkowski
Chairman Sub-Committee on Water and Power
Committee on Natural Resources
U.S. Senate
Washington, D.C. 20510

Dear Senator Murkowski:

The Avocado Growers Bargaining Council, the largest group of independent Avocado Growers in California, supports Senate Bill S 2684.

We request you and your Committee do everything possible to facilitate passage of S 2684.

Without water this entire area will revert to a dry hole thereby ruining the lives of thousands of people.

Thank you for your consideration of our needs.

Respectfully,

G. J. Clasen

G. J. Clasen President

GJC:er

FALLBROOK BOARD OF REALTORS
123-A West Alvarado • Fallbrook, California 92028 • Telephone (714) 728-5811

REALTOR®

July 15, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water & Power
Committee on Energy & Natural Resources
United States Senate
Washington, D. C. 20510

RE: S2684

Dear Senator Murkowski:

Our organization represents many property owners in the greater Fallbrook area, and the ever increasing concern for the conservation of water is utmost since we are an agricultural community.

We feel it is imperative that the Santa Margarita Project go forth to completion as soon as possible. Water is the life blood of a food producing area and every drop we can store or conserve is vital to people, plants, and our future.

Please give this project your utmost consideration and immediate action.

Sincerely,

Robyn Stuart

Robyn Stuart
President

RS:djr

SENIOR CITIZENS SERVICE CLUB, INC.

P.O. Box 456, Fallbrook, CA 92028

SENIOR CITIZEN CENTER
NUTRITION CENTER
341 Heald Lane
723-9282—723-9268

PRODUCE CENTER
1189 E. Mission
728-4498

BOARD MEMBERS

Richard Jones
President
Edward Ball
1st Vice President
Pat Noll
2nd Vice President
Bernice Champion
Secretary
Joe Scanlon
Treasurer
Robert Kolb
Youth Coordinator
Elma Erwin
Communications
Lyle Sigler
Field Representative
Don Dussault
Seniors Helping Seniors

July 16, 1982

The Honorable Frank Murkowski
Chairman Sub Committee on Water & Power
United States Senate
Washington D.C. 20510

Dear Senator Murkowski:

We Fallbrook Seniors wish to commend Senator Hayakawa and Congressman Burgener for their sponsorship of legislation which will provide a sorely needed water supply system for the Fallbrook area. We urge your committee to work expediently and seriously to ensure the necessary system is provided to ascertain that a fresh potable water supply is always available to this area. We will watch your actions with concern. Thank you for your assistance.

Sincerely,

Richard Jones
President

DE LUZ HEIGHTS MUNICIPAL WATER DISTRICT

ROUTE 6, DAILY ROAD • DE LUZ HEIGHTS
FALLBROOK, CALIFORNIA 92028
(714) 728-6491

RECEIVED JUL 1 3 1982

July 6, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Re: S2684, Santa Margarita Project

De Luz Heights Municipal Water District (DLHMWD) serves an 11,800 acre region to the northwest of Fallbrook, where 98% of the water used is for agriculture, primarily permanent avocado and citrus tree crops. The District is totally within the Santa Margarita River Watershed and is a member of the San Diego County Water Authority.

During the water rights litigation on the Santa Margarita river in the 1950's and the 1960's between the U. S. Government and the Fallbrook Public Utility District (FPUD), the DLHMWD filed for water rights on De Luz Creek, a major tributarty to the Santa Margarita River. Because of the on going litigation and prior beneficial use downstream by the U. S. Marine Corps Base at Camp Pendleton (and its predecessor, the Santa Margarita Ranch), the State denied our water rights request. When the water rights on the river were resolved in 1966, the parties agreed to make available to DLHMWD any surplus water from the river not needed by either FPUD or Camp Pendleton. This agreement is part of the U. S. District's Modified Final Judgement and is documented in the 1968 Memorandum of Understanding and Agreement signed by the parties to the litigation.

Because of the division of water rights in the Santa Margarita River basin, DLHMWD is almost totally dependent on imported water. The curtailment of Colorado River water to Southern California in 1985, coupled with the defeat of Proposition 9 (Peripheral Canal), paints a very dim future for a reliable water supply to our District. The Santa Margarita Project developes a local source of water plus provides a major storage facility that will provide this District a much needed insurance against future shortages of imported water which could be disastrous to our agricultural community.

The Santa Margarita Project has been in the planning stages for many years and has been studied extensively. It is long overdue and the people of this District are 100% behind it. We can procrastinate no longer and urge uou to move this authorizing legislation now so that the Bureau of Reclamation can move forward with final design of the project.

Sincerely,

Ross Daily

Ross Daily, President, Board of Directors

RD:dfb

Fallbrook Farm Bureau Center
P. O. Box 623, Fallbrook, CA 92028

July 13, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Senator Murkowski:

Agriculture is extremely important to the Fallbrook area. The principal crops here are avocados and citrus. These established tree crops demand a continuity of water supply. Normal summer irrigation is required every 4 days and every other day during extreme hot, dry spells. They produce millions of dollars of income for the area and support additional millions in expenditures for fertilizer, chemicals, insecticides, farm machinery, irrigation supplies, etc.

The present water supply system, based on purchased imported water, has only a three day storage capacity at peak demand. This is inadequate as was demonstrated in 1977 when there was a brief stoppage in the canal system delivering Colorado River water to this area. Water meters were locked off, trees suffered and some died.

The Santa Margarita Project will correct this deficiency and provide additional benefits. It will afford three years storage capacity as compared to the current three days. It will permit the purchase of water during off-peak periods when there is an abundance of supply, a real conservation measure.

Further, the expected yield of new water from the dam (now flowing to the ocean) will provide one third of our current demand, another important conservation measure. This "new water" will allow others in the area to have access to some of Fallbrook's allocation of imported water.

From other testimony, you are aware of the critical nature of the water supply to San Diego County. This results from Arizona's entitlement to Colorado River water, which they will start drawing in 1985, and the inability of the California Water Project to make up for this loss as pro-

jected, without the Peripheral Canal (Proposition 9).

The proposed Santa Margarita Project provides this area with a giant step toward lessening the impact of pending shortages. It will provide a continuity of supply thru adequate storage; it will allow conservation thru the ability to make off-peak purchases; and it will add new water to the system by capturing run-off.

It is a good project, essential to the preservation of these established crops so important to the economy of Fallbrook.

We respectfully urge your favorable consideration.

E C Wolk

President
Fallbrook Center
San Diego County Farm Bureau
California Farm Bureau Federation

cc: Senator Hayakwa
Congressman Burgener

SANTA MARGARITA SAN LUIS REY

WATERSHED PLANNING AGENCY

c/o Rainbow Municipal Water District
4555 Highway 76
Fallbrook, CA 92028

July 16, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Sir:

Enclosed herewith is a copy of Resolution No. 1982-A Adopted by the Santa Margarita San Luis Rey Watershed Planning Agency in support of the Santa Margarita Project.

Very truly yours,

Bob Coates
President

BC:pas

Enc.

RESOLUTION NO. 1982-A

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SANTA MARGARITA-SAN LUIS REY WATERSHED PLANNING AGENCY IN SUPPORT OF WATER USER NEEDS IN NORTHERN SAN DIEGO COUNTY, AND REQUESTING THE UNITED STATES CONGRESS TO AUTHORIZE CONSTRUCTION OF THE SANTA MARGARITA PROJECT

* * * * * *

WHEREAS, the proposed Santa Margarita Project provides means to impound and conserve the flood waters of the Santa Margarita River, a stream draining 750 square miles lying in Southwestern Riverside County and Northern San Diego County; and

WHEREAS, the United States Congress passed the DeLuz Dam Bill, approved by the President on 28 July 1954, authorizing construction of the Santa Margarita Project contingent upon adjudication of water rights in the stream; and

WHEREAS, the Final Judgement and Decree in the case entitled UNITED STATES OF AMERICA v. FALLBROOK PUBLIC UTILITY DISTRICT, et al. NO 1247-SD-C was entered 8 May 1963; upheld by the Ninth Circuit Court of Appeals with but one exception, the Stipulated Judgement of 1940 between Vail Ranch and Rancho Santa Margarita y Las Flores; and

WHEREAS, the United States Government and the Fallbrook Public Utility District entered into a Memorandum of Understanding and Agreement, 4 March, 1968, to proceed jointly with unified and comprehensive programs for sound management and maximum beneficial utilization of the Santa Margarita River; and

WHEREAS, the United States Department of Interior has approved the Engineering and Economic Feasibility Report of the Project prepared by the Bureau of Reclamation; and

WHEREAS, the Project is of regional significance, completion of which will supplement the flow of imported water and benefit the entire area of Riverside and San Diego Counties served by the San Diego Aqueduct, a branch of the Metropolitan-Colorado Aqueduct; and

WHEREAS, the Board of Commissioners of the Santa Margarita-San Luis Rey Watershed Planning Agency recognized the desirability of the project and the need for Congressional action to appropriate funds for its completion; and

WHEREAS, since the voters of California have acted to prevent increased deliveries of Northern California water to the Metropolitan Water District to make up for reduced Colorado River water availability by defeating the Peripheral Canal bill,

98-495 O—82——12

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Santa Margarita-San Luis Rey Watershed Planning Agency requests the Congress to approve legislation pending in the House of Representatives (H.R.1527) and in the Senate (S2684), which will authorize the Santa Margarita Dam Project.

The foregoing Resolution was duly adopted by majority vote of the Board of Commissioners of the Santa Margarita-San Luis Rey Watershed Planning Agency at its regular meeting held on this 15th day of July, 1982.

President

ATTEST

Secretary

EFFECT OF THE SANTA MARGARITA PROJECT ON THE ENVIRONMENT

The community of Fallbrook lies roughly between Camp Pendleton on the west, Highway I-15 on the east, the San Luis Rey River on the south and the Santa Margarita River on the north. Most of the area lies between elevations 400 and 1000 ft. above sea level. Types of environment represented here include chaparral covered hillsides, meadows and reparian woodlands. Not found in this area are high mountains, coniferous forests, desert scrub, marshy flatlands, large lakes, oceans and shore lines. A large part of the area is planted in groves and orchards, generally unsuitable for natural wildlife.

In this area the Fallbrook Garden Club has identified 144 species of birds which can be found with some regularity, excluding rare and occasional sightings. This is a fair sample for the area considering its limited environment.

Whereas the San Luis Rey River has a fairly large bird population, the Santa Margarita River does not. This is due largely to the former going through relatively flat terrain with wide shorelines, having flat wading areas and large pools. The Santa Margarita River on the other hand frequently goes through steep canyons, and is not blessed with any of the type habitat preferred by both migrating and nesting birds. Even an inexperienced birder will note the difference immediately, and the more experienced birder will marvel at the sparcity of bird life along the Santa Margarita at any season.

On March 9, 1982 the writer was part of a group touring the Santa Margarita and De Luz dam sites. From the bus and on foot he identified 42 species of birds - without binoculars and without making any type of observation stop except for a box lunch at the Santa Margarita dam site. Following is a list of those birds identified:

Santa Margarita Reservoir Site	Overlooking Santa Margarita River*	Camp Pendleton Roads & Ponds	Camp Pendleton Estuary	De Luz Reservoir Site
Wrentit	Red-tailed Hawk	Pied-bl. Grebe	Western Gull	Mourning Dove
Bewick's Wren	Red-shouldered Hawk	Dbl.-cr. Cormorant	Ring-bl. Gull	Crow
House Finch	Sparrow Hawk	Snowy Egret	Forster's Tern	Wrentit
Lesser Goldfinch	Calif. Quail	Mallard	Mourning Dove	West. Meadowlark
Song Sparrow	Anna's Hummingbird	Shoveler	Savannah Sparrow	House Finch
(5)	Nuttall's Woodpecker.	Ruddy Duck	(5)	(5)
	Black Phoebe	Turkey Vulture		
	Cliff Swallow	Red-tl. Hawk		
	Scrub Jay	Sparrow Hawk		
	Crow	Coot		
	Wrentit	Black-nk. Stilt		
	Bewick's Wren	Marbled Godwit		
	Mockingbird	Willet		
	Audubon's Warbler	Dowitcher		
	House Finch	Ring-bl. Gull		
	Lesser Goldfinch	Rock Dove		
	Brown Towhee	Mourning Dove		
	(17)	Horned Lark		
	*At approx. 500' elevation.	Cliff Swallow		
			Scrub Jay	
			Raven	
			Crow	
			Mockingbird	
			Loggerhead Shrike	
			Western Meadowlark	
			Red-winged Blackbird	
			Brewer's Blackbird	
			House Finch	
			Lesser Goldfinch	
			(29)	

With intensive birding during spring migration in April and May this list might have been quadrupled. However under any circumstances the ratio of birds in the different areas would have been substantially the same.

The part of the Santa Margarita that will be inundated by the reservoir behind the dam is 4 miles long. The new reservoir will have a shore line of 20 miles, 5 times the length of that now in existence. This shore line will be at 450 ft. elevation, considerably above the canyon floor. From the above list it can be seen that approximately 17 species would be seen at the reservoir elevation against 5 at the stream level. But in addition there will be 20 miles of planted shore line, and 612 acres of reservoir that can well attract 170 species where perhaps 45 at the most can now be found througout the year. This is an increase of 125 species (+277%) that can be expected after completion of the dam over those that can now be found at the river bottom.

The De Luz Dam in Camp Pendleton will inundate 7 miles of the Santa Margarita River and replace it with 34 miles of shore line and 1549 acres of reservoir (top of active conservation pool - normal high water line). The above list shows we found 5 species of birds at the reservoir site, but a realistic figure for this area througout the year would be 38, which after the dam is constructed should be 150. This is an increase of 122 species (+295%).
(The Audubon Society bird check list for Camp Pendleton totals 232 species of which 82 could not be expected at the reservoir habitat).

Much has been said about destroying the habitat of the Bell's Vireo. In the west this bird prefers two types of habitat - desert mesquite and willow thickets along lowland streams. The Santa Margarita River should qualify with its willows, but to the vireo it does not because apparently the stream is too narrow and the surrounding hills too precipituous. This is true with most birds, they do not like to feel confined and trapped in this type of situation. The Bell's Vireo is perhaps the only vireo that nests at low levels. This should make it easier to identify by sight since the others flit about among the leaves in high trees. However try and spot a moving 4½ inch bird in brushy thickets. By far the best way to identify vireos is by sound - each species has a distinctive song much repeated, and the Bell's cannot be mistaken. This writer has never seen or heard a Bell's Vireo on the Santa Margarita River, and suspects that its having been listed there is a case of mistaken identity. However he predicts that it will become a fairly common summer resident of the shrubbery lining the new reservoir. A case of creating instead of destroying a special environment.

In conclusion, the construction of the 2 dams will greatly improve and enhance the existing environment. The stream beds will be replaced by a habitat superior to that now exhisting in extent, area and availability to the public and to nature lovers; and in providing better sources of food, water, nesting sites and cover so essential to all forms of wildlife.

M S Dunlap
Merritt S. Dunlap
July 5, 1982

The writer has contributed to "A Field Guide to Western Birds" by Roger Tory Peterson; and to the 21 volume "Life Histories of North American Birds" by Arthur Cleveland Bent and Collaborators. He has also assisted in gathering material for Bulletins by A. L. Rand for the National Museum of Canada on Birds and Mammals of the Canol Road, Yukon and Northwest Territories.

-2-
Past member of the National Audubon Society for 45 years.

July 15, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Sir:

I am not usually one for writing letters to my representative, however, I believe the plight of our community to be at a critical stage now and will become increasingly so in the future.

Our problem is that of having insufficient water in the future. This is not a problem peculiar to our community alone but one which faces all of Southern California and which will achieve maximum crises proportions when Arizona takes its full allotment of water in 1985 from the Colorado river. However, unlike most of Southern California we have a solution to our problem --we have a river running through our community which if properly dammed would provide water not only for our needs but also for Camp Pendleton, a U. S. Marine base located nearby. The project is called the Santa Margarita Dam and appears very feasible. It is desparately needed if this area is to maintain its agricultural status and even more so if it is to accomodate the requirements of future growth. The North County is the fastest growing portion of San Diego County and our community is located in the North County. The project is definitely needed and your help and assistance is likewise needed -- so please give us your support to your fullest extent.

Thank you.

Yours very truly,

W. E. Smikahl

William E. Smikahl
Administrator
Fallbrook Hospital

WES/mf

SAN DIEGO COUNTY EMPLOYEES' ASSOCIATION

4004 Kearny Mesa Road, San Diego, California 92111 (714) 560-0151

LARRY ANDERSON
President

RANDALL M. PREVO
General Manager

July 14, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Senator Murkowski:

The San Diego County Employees' Association represents over 14,000 employees of San Diego County, cities within the county, and numerous independent special districts. The curtailment of Colorado River water commencing in 1985 and no assurance of sufficient Northern California State Project Water to make up the difference has us all concerned for the future of life as we know it in San Diego County.

The Santa Margarita Project is one significant step towards increasing local water supplies and has been delayed too long. The Marine Corps Base at Camp Pendleton is a good neighbor that should have a permanent solution to its water supply. The Fallbrook Public Utility District needs assurances of a reliable local source of water to retain its highly productive avocado and citrus groves. We urge you to act favorably and swiftly on the legislation now pending in congress, i.e. S2684 in the Senate and HR1527 in the House of Representatives.

Sincerely,

Randy M. Prevo

Randall M. Prevo
General Manager

RMP/am

cc: Senator Cranston
Senator Hayakawa
Congressman Burgener
Congressman Badham
Congressman Hunter
Congressman Lowery

Fallbrook Republican Women's Club, Federated
CHARTERED NOVEMBER 15, 1950
FALLBROOK, CALIFORNIA 92028

4265 Sleeping Indian Road
Fallbrook, Cal. 92028
July 10, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
United States Senate
Washington, D.C.

Dear Sir:

Your favorable vote on Senate Bill 2684 (Santa Margarita Dam Project) is requested. This letter comes on behalf of the several hundred members of our organization and the some 20,000 members of our community. Indeed, its plea is in behalf of all the people of our country.

Fallbrook is known as the Avocado Capitol. We are an agriculture-area. Much citrus fruit is grown here as well as avocadoes. In order to raise our crops and offer them to the public at a fair price, we must have an assured supply of water. The Santa Margarita Dam will help to guarantee this and will conserve the many acre feet of water which now flow into the ocean each year. Please do all you can to expedite and secure this vital legislation.

Very truly yours,

Mary Jane Pfeil

Mary Jane Pfeil, President
(Mrs. A.W. Pfeil)

THE ROTARY CLUB OF FALLBROOK

P.O. BOX 227 • FALLBROOK, CALIFORNIA 92028

July 15, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee for Energy & Natural Resources
United States Senate
Washington, D. C.

Dear Senator Murkowski:

Our membership and the residents of Fallbrook in general are becoming greatly concerned with the rapidly developing fresh water shortage for the northern part of California, and particularly that affecting north San Diego County and the Fallbrook area.

This water starved area consisting of an industrial-commercial-agricultural complex has only one source of water: the Metropolitan Water District, that supplies water via canals and pipe lines from the Colorado River and some limited sources in California. These import water lines could become damaged by floods, earthquakes, sabotage and/or extensive mechanical and construction repairs, leaving the area virtually helpless, as we have only 204 acre-feet of water storage that can serve our needs for only three days at peak requirements.

Our further concern, and joining with the Farm Bureau on this water problem, is the forthcoming loss of Colorado River water by allocation to the State of Arizona. At best estimate, we understand this will reduce our supply by at least one-third. This will result in drastic curtailment of the valuable agricultural activities, as agriculture needs 80% of our current water supply.

Senator Hayakawa has introduced Senate Resolution 2684 to authorize the Secretary of the Interior to construct, control and maintain the Santa Margarita Project - consisting of two dams and reservoirs in the Santa Margarita River, to capture and store flood waters during the rainly season: one for the Fallbrook Public Utility District, and one for the Camp Pendleton military complex.

There is urgent need for early hearing on this legislation and we request that you give this Project your full support. Please advise how we can be of help in the Government's processing of this vital legislation.

Sincerely yours,

David D. Bryant

David D. Bryant
Past President

Soroptimist International of Fallbrook
P. O. Box 39
Falibrook, Calif. 92028

July 16, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Re: S2684

Dear Senator Murkowski:

After reviewing the Santa Margarita Project, we the Soroptimist International Club of Fallbrook, feel that this would be most beneficial to Fallbrook and surrounding areas. The needed water requirements cannot be obtained through further conservation.

Our club heartily backs the Santa Margarita Project and urges your committee to do the same.

Sincerely,

Mildred Standish

Mildred Standish
President

Fallbrook
LIONS CLUB

P.O. Box 594
Fallbrook, California 92028

July 9, 1982

The Honorable Frank Murkowski
Chm. Sub-Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C. 20510

RE: S-2684, Santa Margarita Project

Dear Senator Murkowski:

On behalf of the Fallbrook Lions Club, I would like to urge your committee to take a positive action in behalf of the Santa Margarita Project.

Since you may have never visited Fallbrook, I want to point out that our community is still rural and rustic, primarily agricultural with avocados and citrus with a necessity for a constant source of water. Colorado River cutbacks will start in 1985 and the beneficiaries of the Santa Margarita Project, Fallbrook residents and the U. S. Marine Corps at Camp Pendleton need this long planned project.

Whatever you can do to make this long dream a reality will be most appreciated.

Sincerely,

T. D. Sumner
1st. Vice President

TDS/chg

Fallbrook Historical Society

Post Office Box 1375
Fallbrook, California 92028

July 12,1982

The Honorable Frank Murkowski,Chairman
Sub-Committee on Water & Power
Committee for Energy & Resources
U.S.Senate,Washington D.C.

Dear Senator Murkowski:

As a resident of Fallbrook for many years I have looked forward to the time when positive action would be taken on the Santa Margarita Project represented by S- 2684 at this time.

A part of my efforts recently in reviewing the history of this community in order to revise the published history of Fallbrook,I have explored the story of the railroad that once served to area. Because those who determined to level and location of the tracks of the California Southern railway elected to ignore the advice of local citizens the roadbed was put but a few feet above low water level in the Santa Margarita and Temecula streams,which drain a very large area.Within two years after completion of the road in 1882 it was washed out. The roadbed was rebuilt and again within a few years it was again flushed out to sea. Obviously it takes a very great deal of water to tear up thirty miles of track but even the uninitiated needs little more than a look at the Temecula gorge and the vast area of land that it drains to appreciate the great volume of water that could be trapped and saved to productive use,were the means to store it in place.

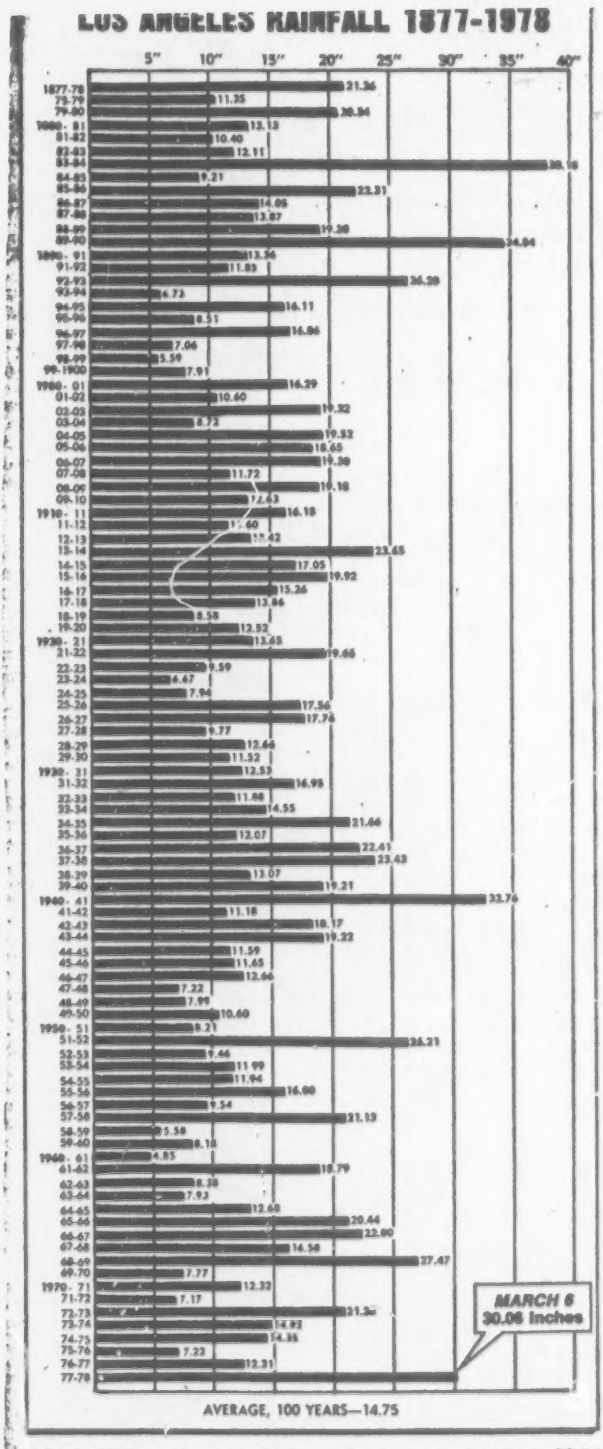
The accompanying clipping from the Los Angeles Times detailing rainfall in this general area illustrates the feast and famine nature of our natural water supply.Clearly,there is more famine than feast but the sting would be considerably less if we did not have to see the water do get go out to sea.

I hope the time does not come when you will be expected to consider the construction of a pipeline to convey the melt of Alaskan snows down to southern California.Perish the thought!

We in north San Diego County will greatly appreciate the application of your intelligence and ingenuity in forwarding the progress on the Santa Margarita Project S-2684

Sincerely

Floyd S.Markham



COMPARISON—It's only March and rain total already is 30.06 inches, exceeded only by seasons of 1940-41, 1889-90, 1883-84.

Pala Mesa Village Homes Association
3332 Via Altamira ~ Fallbrook, California 92028

July 16, 1982

Senator Frank Murkowski
Chairman, Sub-Committee on Water & Power
Committee on Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator Murkowski:

I am writing you in reference to Senator Hayakawa's proposed bill, S2684, regarding the Santa Margarita Dam project.

I am authorized by all 92 members of the Pala Mesa Village Homes Association to request your support of this bill.

The bill should help the completion of the project, which is urgently needed in this area of California.

Respectfully,

Robt E. Kimball

Robert E. Kimball
President

REK/dit

July 15, 1982

The Honorable Frank Murkowski
Sub-Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C.

Re: S-2684

The potential water shortage which faces Southern portions San Diego County is cause for great concern to all who live in the area. In addition, it should be of concern to the native species of the agricultural products which would result from the area out of significant importance.

The proposed Fallbrook Dam would supply water now completely wasted and would aid in controlling the occasional devastating flood conditions which hit the area. Please lend your support to the very worthwhile project.

Very truly yours,
John Tweed

3643 La Corola
Fallbrook, Ca. 92028

ROY C. LA HUE

15 July 1982

The Honorable Frank Murkowski,
Chairman,
Sub-Committee on Water and Power
Committee for Energy and Natural Resources
U.S. Senate
Washington, D.C.

Re: S-2684

The urgency of the need for the Santa Margarita Dam Project cannot be over-stated. Water requirements in our Fallbrook area of San Diego County are paramount for the near-term future, as well as for the future generations to follow.

Your support for S-2684 is respectfully requested.

Roy C. LaHue

2934 Los Campos
FALLBROOK, CA

July 10, 1982

Honorable Frank Murhowski, Chairman
Sub-committee on water and power
Committee for energy and natural resources
United States Senate
Washington D.C.

Re: S-2684

Dear Sir;

It is most imparative that water be conserved in Southern California, and most particularly in an area where great amounts of food stuffs are grown. We need the Santa Margarita Dam!! Every drop of water that can be saved or stored is essential to people and agriculture now and in the future. Please give this your utmost consideration. Thank you.

Sincerely,

Elliott Stuart, Robyn Stuart

Mr. and Mrs. Elliott H. Stuart
2008 Gum Tree Lane
Fallbrook, Ca. 92028

Gilbert, Co
July 15, 82

The Honorable Frank Murkowski, Chairman
Sub-Committee on Water and Power
Committee for Energy and Natural Resources
United States Senate
Washington, D.C.
Re: S-2684

Gentlemen:

I ask you to urge support for the Seeds Margarita Dam Project.

yours truly,
Helen Waters

July 10, 1982

Honorable Frank Murhowski, Chairman
Sub-committee on water and power
Committee for energy and natural resources
United States Senate
Washington D.C.

Re: S-2684

Dear Sir;

It is most imperative that water be conserved in Southern California, and most particularly in an area where great amounts of food stuffs are grown. We need the Santa Margarita Dam!! Every drop of water that can be saved or stored is essential to people and agriculture now and in the future. Please give this your utmost consideration. Thank you.

Sincerely,

Lucille P Bowden

The Honorable Frank Murkowski
Chairman, Sub. Committee on Water & Power
United States Senate
Washington D. C.

Dear Chairman Murkowski:

The future of our Village of Fallbrook and the agricultural industry it depends on so much is in serious jeopardy unless more water becomes available soon. Please support the Santa Margarita dam project and push for its immediate funding.

Respectfully
Clyde Hunt

14 July 82

The Honorable Frank Murkowski, Chairman
Sub-Committee on Water + Power
Committee on Energy + Natural Resources
United States Senate
Washington D.C.

Dear Senator

a short note to let you know my feelings toward the Santa Margarita Dam Project (S-2684).

We are in need of this project and am urging you to support the project and our needs.

Sincerely
Leroy Wiley

841 N. Stage Coach Lane
Fallbrook, Ca. 92028
15 July 1982

The Honorable Frank Murkowski, Chairman
Sub Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C.

Reference: S-2284

Dear Senator Murkowski:

I am concerned, and I am sure you are, that our Fallbrook area will have an adequate water supply after the Central Arizona Project is completed and Arizona takes it share of the Colorado River water.

The Santa Margarita Project would provide water, water storage, flood control and recreational opportunities for our area and I believe it is vital for the Fallbrook area.

I would appreciate your support and effort in the support of this project. Thank you.

Sincerely,
Mike Ludwig

THE HONORABLE FRANK MURKOWSKI, CHAIRMAN
SUB-COMMITTEE ON WATER & POWER
COMMITTEE FOR ENERGY & NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON D.C.
RE- S-2684

The urgency of the S-2684 bill passing is of upmost importance. The agriculture community in Southern California will be devastated if this bill does not pass. The passage of S-2684 will ease the supply and demand of water from Northern California and at the same time calm the nerves of an agriculturally oriented community. The shortage of water is a real concern in Calif. On behalf of the farmers, home owners, and community of Southern California, I urge you to help the passage of the two dams.

With your support,

Raymond W Craig Jr.

15th July, 1982

The Honorable Frank Murkowski, Chairman
sub committee on Water & Power
Committee for energy & Resources
United States Senate
Washington, DC.
Re. S2684

on behalf of my family, my business,
+ hundreds of my friends who own
avocado & citrus groves in Fallbrook we
urge you to help the passage of S-2684.
The shortage of water is of dire concern to
all of us residing in Fallbrook, it is the
life line of our community.

Sincerely,
Wes W. Klein

Robert & Sally McVey
2340 Mardavido Lane
Fallbrook, CA. 92028

The Honorable Frank Murkowski, Chairman
Sub-Committee on Water and Power
Committee for Energy and Natural Resources
United States Senate
Washington D.C.

RE: Senate B ill S-2684

July 16, 1982

Dear Sir,

As a woman, mother, wife, realtor, and grove owner in our beautiful GREEN city of Fallbrook I urge your support of Senate Bill S-2684.

The Santa Margarita Dam Project is vital to our community to prevent the water shortage we may have to face. Please help us.

Sincerely,

Sally McVey

39511 Daily Rd
Fallbrook, Calif.
92028

The Honorable Frank Murkowski, Chairman
Sub-Committee on Water & Power
Committee for energy & Natural Resources
United States Senate
Washington D.C.

July 15, 1982

Re: S-2684

Dear Sir,

I am concerned, as a Avocado grower in Fallbrook, about the water problem we may have soon.

The Santa Margarita Project would provide water storage and flood control for our area. I believe this to be vital.

I would appreciate your support.

Sincerely,
Harriet Crain

July 15, 1982

The Honorable Frank Murkowski, Chairman,
Sub Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C.

RE: S-2684

Dear Sir,

Can you imagine the potential loss in life that could happen without water in southern California? Hopefully this will never happen, but to assure it we need the passage of Senate Bill S-2684 and other like it. Now we act now to avoid major future catastrophes we could all be in very serious trouble. I urge your support.

Sincerely,

Raymond W. Crain

Mission Realty

15 July 1982

The Honorable Frank Murkowski, Chairman
Sub-Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington, D.C.

Re: S-2684

Dear Sir:

I wish to add my voice to those urging passage of Senate Bill S-2684. The Santa Margarita Dam Project is vital to the adequate supply of water in North San Diego county. In my view, the multi-million dollar agriculture business of this area will suffer a near-mortal blow when Arizona begins to take their legal share of the Colorado River water in 1985. The Santa Margarita Dam Project is one of the programs vital to the continued good health of our agriculture economy. Action is needed now to avert disaster in a few short years.

Respectfully,
Carlton L. McWilliams

337 East Mission Road • Fallbrook, CA 92028 • (714) 728-8410

Fallbrook, Calif.
July 14, 1982

The Honorable Frank Murkowski, Chairman
Sub. Committee on Water & Power
Committee for Energy & Natural Resources
United States Senate
Washington D. C.

Dear Senator Murkowski:

The proposed Santa Margerita Dams in the Fallbrook, Camp Pendelton area are of vital importance to all residents and property owners of this area. I would urge and thank you for your support of this project. Thank you.

Very truly yours,

Bernard J Allen
2048 PHEASANT RUN
FALLBROOK, CA. 92028

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

The Honorable Abraham Kazen
Chairman, Sub-Committee on Water and Power Resources
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515

PETITION

WHEREAS: San Diego's North County is heavily dependent on water from the Colorado River, a large portion of which is to be diverted to the State of Arizona in the near future; and,

WHEREAS: The prospect of additional water supply from Northern California was obliterated by the defeat of Proposition 9; and,

WHEREAS: San Diego's North County is currently dependant for 98.5% of its water from import sources, and, therefore, faces acute water shortage in the near future; and,

WHEREAS: San Diego's avocado production (valued at $44.9 million in 1981 - the county's 4th leading agricultural commodity) is focussed in substantial degree in Fallbrook and surrounding areas; and,

WHEREAS: Agriculture will be the first to suffer when water shortages appear, despite an average length of residence in the area by the undersigned avocado growers that is generally believed to exceed the average length of residence of most water users in the area served by the Fallbrook Public Utility District;

NOW BE IT RESOLVED:

We, the Undersigned, petition for and support early action by the responsible authorities and governmental bodies to commence construction of the long delayed Santa Margarita Dam. The need is both clear and urgent, and the Fallbrook Public Utility District stands ready to sign a repayment contract for its share of the Project. Further procrastination threatens early extinction of the highly productive agriculture of the North County and a severe blow, both to the economy of the entire county and to each of us as long-term residents of the Fallbrook area.

Petitioners

NAME	STREET ADDRESS	CITY
Russell R Runge	429 Golden Rd.	Fallbrook, Cal.
Patricia L Runge	429 Golden Rd.	Fallbrook, Cal.
Charles W Wilson	2222 Country Rd	Fallbrook "
Patricia M. Wilson	"	"
Lois Perkins	3051 N. Clemmens Lane	Fallbrook
Howard D Noland	4146 Sleeping Indian	Fallbrook
E. Elaine Woodward	4110 Sleeping Indian	Fallbrook CA
Elmer H. Atkins	3129 Reche Road	Fallbrook 92028
J. K. Wilkins	2967 RECHE RD	Fallbrook 92028
H. Woodward	23895 Cecilio Rd	Temecula 92390
Harold W Schwertfeger	2168 Santa Margarita	Fallbrook 92028
Regina Grafton Sickles	3159 E. Alvarado	" "
Herbert E. Hartman	1455 Rice Canyon Rd	Fallbrook 92028
Janice M. Hartman	1455 Rice Canyon Rd	" "

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

The Honorable Abraham Kazen
Chairman, Sub-Committee on Water and Power Resources
Committee on Interior and Insular Affairs
United States House of Representatives
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Petitioners

NAME	STREET ADDRESS	CITY
Robert L McShane	2175 Rainbow Glen Road	Fallbrook
Helen A. McShane	2175 Rainbow Glen Rd	Fallbrook
Henry S. Schmid	1440 Via Vista Dr	Fallbrook
Esther Smith	3439 Hillside Dr.	Fallbrook
Jim E. Smith	3439 Hillside Dr.	Fallbrook
Gustavo Gabo	721 DE LUZ RD	FALLBROOK
Loretta Gabo	721 DE LUZ RD	FALLBROOK

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

The Honorable Abraham Kazen
Chairman, Sub-Committee on Water and Power Resource
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515

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Petitioners

NAME	STREET ADDRESS	CITY
Marvell Sanders	1551 Mercedes Ave	Fallbrook Ca
Bruce W Duncan	2662 Lolo Lane	Fallbrook CA
Dan B Kelley	1776 Gobblers Rd	Pala Temecula CA
Mary Gene Kelley	1736 Gobblers Rd	Pala Temecula Calif Ca
Wm D McCormick	2559 Via Miles	Fallbrook Ca
Carl D Hilgard	3672 Cypress	Fallbrook Ca
Kenneth W. [illegible]	514 Rancho del Cielo	Fallbrook Ca
[illegible]	3311 Adams St DC	[illegible] CA
[illegible]	2565 N Stage Coach	Fallbrook
[illegible]	3437 N. Willow Glen Rd	Fallbrook Ca

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

The Honorable Abraham Kazen
Chairman, Sub-Committee on Water and Power Resources
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515

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WHEREAS: Agriculture will be the first to suffer when water shortages appear, despite an average length of residence in the area by the undersigned avocado growers that is generally believed to exceed the average length of residence of most water users in the area served by the Fallbrook Public Utility District;

NOW BE IT RESOLVED:

We, the Undersigned, petition for and support early action by the responsible authorities and governmental bodies to commence construction of the long delayed Santa Margarita Dam. The need is both clear and urgent, and the Fallbrook Public Utility District stands ready to sign a repayment contract for its share of the Project. Further procrastination threatens early extinction of the highly productive agriculture of the North County and a severe blow, both to the economy of the entire county and to each of us as long-term residents of the Fallbrook area.

Petitioners

NAME	STREET ADDRESS	CITY
[illegible]	3410 Alta Vista	Fallbrook Ca 92028
[illegible]	1549 Sleeping Indian Rd	Fallbrook CA 92028
[illegible]	1799 Sleeping Indian Rd	Fallbrook 92028
[illegible]	4508 Palomar Dr.	Fallbrook CA 92028
[illegible]	4508 Palomar Drive	Fallbrook CA 92028
[illegible]	355 Via [illegible]	Fallbrook Ca 92028
[illegible]	162 Ramona Road	Fallbrook Ca 92028

July 10, 1982

The Honorable Frank Murkowski
United States Senate
Washington, D. C. 20510

Dear Senator Murkowski:

In your position as Chairman of the Subcommittee on Water and Power - of the Committee on Energy and National Resources, we appeal for your urgent support of a very vital water project that affects the economic survival of a portion of the San Diego County of California.

Present legislative proposals for consideration at the national level are HR 1527 - Burgener, and S 2684 - Hayakawa, pertaining to the Santa Margarita Project for the construction of two dam facilities on the Santa Margarita River for the conservation and storage of fresh water. One facility for the Fallbrook Public Utility District, and one to serve the military enclave--Camp Pendleton.

These facilities as proposed are the result of a landmark legal action resulting in a Memorandum of Understanding and Agreement signed March 4, 1968 by the Secretary of the Navy, Secretary of the Interior, U. S. Attorney General, and the Fallbrook Public Utility District.

Subsequently, studies by the U.S. Reclamation Department resulted in a favorable Feasibility and Environmental Impact reports. The Carter Administration's water policies nation-wide resulted in a vital 4-year loss in progress on water storage facilities. So, as a result, we are too close to the 1985 deadline in the loss of the Colorado River water to the Arizona Central Valley Project--with practically no other available import water source.

With only 3 days water storage available at peak water loads, leaves us practically on a "powder keg" of disaster, in event of failure of import water lines--that cross many earthquake fault lines.

Thirty percent of agriculture's $400 million annual production in San Diego County is involved and dependent on this project.

The project is part of the total California Water Resources Plan and has the support by resolution of all the principal civic and legislative bodies as evidenced by the attached list. Copies of these are on file in Clair Burgener's office, as well as with N. W. Plummer, Regional Director, U.S. Department of the Interior, Lower Colorado Regional Office, Boulder City, Nevada.

98-495 O—82——14

We enclose a copy of the support resolution, The Metropolitan Water District of Southern California; the principal supplier of the import water to this area.

It may be of interest to learn thatduring three recent wet winters, that by U.S. Geological survey we lost $33 million worth of fresh water in the river to the ocean (at 1980 FPUD water prices). Not very smart for a water starved area?

These endorsements were obtained during the time I was a Director of the Farm Bureau and Chairman of the Santa Margarita Project; copies can be furnished you if desired. The Farm Bureau has been the chief motivator for the project because agriculture uses 65% of the present water supply in the District. Please remember that by the support endorsements by the officers of the official bodies listed, represents a request for favorable action by over a half million people.

Although the project has been studied to death, current environmental update studies are in progress by the Reclamation Department by a $260,000 Federal grant.

San Diego County--Fallbrook area and the military, Camp Pendleton, need this water supply badly. Please help us.

Very truly yours,

Calvin T. Thomas
Farm Bureau
40451 Rock Mountain Drive
Fallbrook, CA 92028

CTT/MT

SANTA MARGARITA PROJECT

Resolutions and endorsements for the Project received and forwarded to Congressman Clair W. Burgener in support of his HR 1527:

San Diego County Farm Bureau
California Farm Bureau Federation
American Farm Bureau Federation
San Diego County Water Authority
San Diego County Board of Supervisors
The County Cooperative Planning Organization
Santa Margarita-San Luis Rey Watershed Planning Agency
De Luz Heights Municipal Water District
Mission Resources Conservation District
Fallbrook Chamber of Commerce
Fallbrook Board of Realtors
Fallbrook Coordinating Council
Fallbrook Woman's Club
Fallbrook Rotary Club
Fallbrook Soroptimists Club
Fallbrook Kiwanis Club
Fallbrook Lions Club
Fallbrook Art Association
Fallbrook Community Planning Group
Avocado Growers Bargaining Council
Fallbrook Farm Bureau Center
The California Water Commission
American Association of University Women
Republican Central Committee, San Diego County
California State Assembly voted support 67-0 April 14, 1980
California State Senate voted support 34-0 May 20, 1980
Metropolitan Water District of Southern California

FALLBROOK PUBLIC UTILITY DISTRICT

SANTA MARGARITA PROJECT

Artist conception

PROPOSED FALLBROOK DAM AND RESERVOIR

H.R. ~~6014~~ 1027

Fallbrook Public Utility District
990 East Mission Road
Fallbrook, California 92028

PRESORTED
FIRST-CLASS MAIL
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THE SANTA MARGARITA PROJECT

WHAT IS IT?

A part of the California Water Plan designed to provide a means for impounding, conserving and utilizing the flows of the Santa Margarita River, a costal stream north of San Diego, California.

In addition, a highly essential water resource development which is engineeringly feasible with a highly favorable benefit to cost ratio that will strengthen the economy of the area, State and Nation, and enhance the human environment.

WHAT FACILITIES ARE PROPOSED?

A dam and reservoir approximately 2 miles north of Fallbrook.

A dam and reservoir on Camp Pendleton.

A water conveyance line from the reservoir to the Fallbrook Public Utility District distribution system.

A water conveyance line through Camp Pendleton.

Park and recreational facilities in Willow Glen area.

Road access across the reservoir to the north side of the River.

Wildlife wilderness areas and fish hatcheries.

WHAT WILL IT ACCOMPLISH?

The proposed project facilities will not only impound the River waters which are now wasted to the Pacific Ocean, but will also provide for flood control, adequate reserve water storage for Fallbrook and Camp Pendleton, a regional park for boating, swimming, fishing, camping and picnicking, and wild life habitat areas available for hiking, bird watching, nature study and wildlife photography.

PAST HISTORY

Plans for conserving the flood flows of the Santa Margarita River have been under consideration for many years by the Fallbrook Public Utility District, the U.S. Marine Corps Base at Camp Pendleton, California and the State of California.

The act of Congress July 28, 1954 (Public Law 83-547;68th Stat. 575) authorized construction of water conservation facilities on the Santa Margarita River. Utilization of this Congressional authorization was precluded by extensive litigation between the United States of America and the Fallbrook Public Utility District to insure full and complete recognition of the laws of the state regulating rights of the use of water.

This litigation which commenced in 1951 was terminated in 1966 by judgment of the U.S. District Court for the Southern District of California, and affirmation by the ninth Circuit Court of Appeals. This judgment confirmed the water rights of Fallbrook in the Santa Margarita River, and also recognized the rights of the U.S. in Camp Pendleton, and of the U.S. as trustee for various affected Indian bands.

On March 4, 1968, the Fallbrook Public Utility District entered into a Memorandum of Understanding and Agreement with the United States of America. The Attorney General, Secretary of the Interior and Secretary of the Navy executed the Agreement in behalf of the United States. This Memorandum also provides for the preparation of a project feasibility report by the U.S. Bureau of Reclamation for a two-dam project to implement this water apportionment agreement. The Bureau of Reclamation has completed the Feasibility Report and the Environmental Impact Statement as required by the National Environmental Policy Act of 1969 and the Secretary of the Interior has concluded that the proposed project facilities are not only technically and economically feasible, but would also enhance the human environment.

The Memorandum also provides for the assistance of the Federal Agencies who are signatory parties thereto in seeking to obtain Congressional authorization and funding for the Project.

WHY IS THE PROJECT NEEDED?

This supplemental water supply will be most essential to the economic survival of the 16,000 residents of the area in the event excess imported water ceases to be available. The Fallbrook Public Utility District, which serves an area of 16,104 acres, re-

lies almost entirely on imported water obtained through the County Water Authority and Metropolitan Water District aqueduct systems for its water requirements which are presently 80% for irrigation and 20% for municipal use. The present consumption of 13,000 acre feet of imported water annually is approximately three times greater than our legal entitlement to imported water.

The reservoir of water stored behind the Fallbrook Dam will provide a reserve supply which could be utilized in the Fallbrook area for several years in the event of a natural or manmade catastrophic disruption to any of the imported water delivery facilities on which we are now totally dependent.

The project facilities will provide an alternate source of water supply for the Marine Corps Base, Camp Pendleton, the U.S. Naval Hospital, and the Naval Weapons Station, Fallbrook Annex. The Base presently relies upon underground water as their sole source of supply, and the Department of the Navy considers the development of an alternate source vital to protecting its continually increasing investment in this huge Base complex.

To make use of a local water source in lieu of importing water is not only a sound economical practice, but will eventually become a necessity, if all the future demands for fresh water in the State are to be met. The future anticipated demands for fresh water in Southern California will necessitate making maximum utilization of all available sources of this increasingly valuable natural resource to augment the vast quantities of water which now must be moved hundreds of miles from Northern California and the Colorado River to supply the demand.

SOME IMPORTANT STATISTICS

	Fallbrook Dam & Reservoir	De Luz Dam & Reservoir
Location	approximately 2 miles north of Fallbrook	Within Camp Pendleton
Reservoir Capacity	36,500 acre-feet	143,000 acre-feet
Height of Dam	185 feet	204 feet
Crest Elevation & Maximum water height	500 feet above sea level	329 feet above sea level
Length of Dam at Crest	900 feet	3200 feet
Area of Water Surface	612 acres	1549 acres
Recreational & Park Development	450 acres	Varies, and under military control
Wild Life Habitat	3,069 acres	800 acres
Estimated Annual Water Yield	4,500 acre-feet	7,000 acre-feet

WHAT WILL IT COST?

Based on the Feasibility Report Amendment of 1976, the estimated cost of constructing all project facilities is $96,500,000 (January 1975 base), of which the Fallbrook Public Utility District would be obligated to repay the Federal Government $27,845,000 (29%) over a 50 year period.

Upon the Congressional authorization and funding of the Santa Margarita Project, the District will be required to enter into a repayment agreement with the Bureau of Reclamation for the amortization of the construction, interest and maintenance and operating costs of that portion of the project allocable to Fallbrook usage. The estimated average repayment for the functions of the Fallbrook portion of the project are:

	Total Construction Cost including int. during const.	Annual prin. & int. payment	Annual Oper. Maintenance & Replacement Cost	Total Annual Payments	Average Water Cost
Water	16,596,000	464,900	162,900	627,800	140.29/AF
Water Regulation	9,509,000	267,500	8,500	276,000	
Recreation, Fish & Wildlife	2,886,000	160,927	374,200	535,127	
Total	28,991,000	893,327	545,600	1,438,927	

HOW CAN THESE PAYMENTS BE MADE?

For water - by using water from the reservoir and reimbursing the Water and Power Resources Service (formerly the Bureau of Reclamation) rather than purchasing imported water from the aqueduct system.

For water regulation - Funds for this repayment for reserve storage capability could be generated either from water sales or from tax revenues.

For recreation, fish & wild life - Revenues would be generated from user fees to amortize construction cost and all maintenance and operating costs of these facilities.

The Fallbrook Public Utility District owns 1,570 acres of land in the project area which would be acquired by the Federal Government for project right of way use at the current market value at time of acquisition. These funds which could approximate 5 million could be used in reducing the principal amount to be repaid for water or water regulation functions.

WHAT IS MAGNITUDE OF WATER CONSERVATION POTENTIAL?

Flows in the Santa Margarita River bear a direct relationship to the amount of rainfall in the watershed and, thus, vary widely, dependent on the annual rainfall. From data compiled by the Geological Survey, the following flows were recorded in the Santa Margarita River during the very rainy winter of 1968-69:

Passing Fallbrook - 72,270 acre-feet (200% of proposed reservoir capacity)

Passing Camp Pendleton - 116,800 acre-feet (64% of the total capacity of both project reservoirs)

The value of this water based on the FY 1979-80 wholesale rates for purchasing imported water is $10 million. Similar flood flows also occurred in 1977-78 and 1978-79.

WHAT ACTION IS NOW NECESSARY?

The construction, maintenance and operation of the Santa Margarita Project facilities will require a Federal Law to be enacted by the U.S. Congress. Advise your Congressional Representatives and U.S. Senators of your interest in Federal legislation for authorization and funding of the Santa Margarita Project.

Senator Alan Cranston
Room 229, Russell Senate Office Bldg.
Washington, D.C. 20510

Senator Samuel I. Hawakawa
Room 6217, Dirksen Senate Office Bldg.
Washington, D.C. 20510

Honorable Clair W. Burgener
U. S. Representative - 43rd District
343 Cannon House Office Building
Washington, D. C. 20515

Ask them to support Congressman Burgener's Bill, H.R. ~~6224~~ 1527 for Project authorization.

July 1976

FACT SHEET
SANTA MARGARITA PROJECT, CALIFORNIA

The Santa Margarita Project is proposed as a multiple purpose project in Northern San Diego County, California near the town of Fallbrook. The U.S. Bureau of Reclamation has prepared a feasibility report on the project, which is under consideration in the Executive Branch in Washington, D.C.

The project would consist of two dams and reservoirs on the Santa Margarita River and conveyance lines to serve the Fallbrook Public Utility District and the Marine Corps Base at Camp Pendleton. The project would supply supplemental municipal and industrial water to the Fallbrook Public Utility District and Camp Pendleton, and supplemental irrigation water to the Fallbrook Public Utility District. In addition, the project would provide flood control, recreation, fish and wildlife enhancement, and regulation of imported water.

PROJECT FEATURES

Fallbrook Dam	Located 2 miles north of Fallbrook — earth dam 185 feet high, 900 feet long — reservoir capacity of 36,150 acre-feet — reservoir surface area of 612 acres.
DeLuz Dam	Located on Camp Pendleton 5 miles southwest of Fallbrook — earth dam 204 feet high and 3,200 feet long — reservoir capacity of 100,000 acre-feet (plus 40,000 acre-feet flood surcharge) — reservoir surface area of 1,549 acres at 100,000 acre-feet storage.
Fallbrook Conveyance Line	Buried pipeline from Fallbrook Dam to Fallbrook area — concrete pipe, 30 inch diameter — capacity of 28 cubic feet per second — includes 2 pumping plants to lift water about 560 feet above Fallbrook Reservoir surface.
Cross Base Aqueduct	Buried pipeline from DeLuz Dam northwestward across Camp Pendleton — concrete pipe with diameter tapering from 24 inches to 10 inches — capacity tapering from 10 cubic feet per second to 2.5 cubic feet per second — includes 2 pumping plants to raise water about 360 feet above DeLuz Reservoir water surface.
Recreation Facilities	At Fallbrook Reservoir — 192 camp units, 120 picnic units, boat launching ramp, swimming beach, sanitary facilities, parking areas, roads and trails. At DeLuz Reservoir — parking area, sanitary facilities, and fish cleaning facilities.
Fish Enhancement	Fallbrook Reservoir would have a self-sustaining warm water fishery and a put-and-take trout fishery. DeLuz Reservoir would have a self-sustaining warm water fishery.
Wildlife Mitigation	To mitigate wildlife losses at DeLuz Reservoir, about 800 acres of nearby habitat improvement would be accomplished by Camp Pendleton. To mitigate wildlife losses at Fallbrook Reservoir, 2,640 acres of public land and about 380 acres of private land would be set aside and managed for wildlife.

PROJECT WATER SUPPLY

The two reservoirs would retain and deliver an average of 15,540 acre-feet of streamflow per year, which would be divided between Camp Pendleton and the Fallbrook Public Utility District. Camp Pendleton has historically captured 4,000 acre-feet per year through ground-water recharge; consequently the project yield would be 11,540 acre-feet per year on the average. Distribution would be as follows:

Annual project yield (year 50 conditions)

Camp Pendleton	7,050 acre-feet
Fallbrook Public Utility District	4,490 acre-feet
Total Project Yield	11,540 acre-feet

Camp Pendleton Average Historic Supply

Delivered by the Project	4,000 acre-feet
Total Water Delivered by the Project	15,540 acre-feet

PROJECT CONSTRUCTION AND OPERATION

The Bureau of Reclamation would construct the project and title to project facilities would remain with the Federal Government. The Fallbrook Public Utility District and Camp Pendleton would operate project features located within their boundaries. A Bureau of Reclamation watermaster would supervise operations and would maintain the official records of water operation. Recreation facilities at Fallbrook Reservoir would be operated by Fallbrook Public Utility District.

PROJECT COST AND REPAYMENT

The project construction cost is estimated to be $96,500,000, based on January 1975 prices. Cost of the project would be allocated among the Fallbrook Public Utility District, the Department of the Navy (Camp Pendleton), and the Federal Government (nonreimbursable costs) as follows:

Costs Reimbursable by Fallbrook Public Utility District	27,845,000
Cost Allocated to Camp Pendleton	46,347,000
Nonreimbursable Federal Costs	22,308,000
Total	96,500,000 (1976)

Fallbrook Public Utility District reimbursable costs, plus the District's share of operation and maintenance costs, would be repaid to the Federal Government by means of water charges averaging $140 per acre-foot of project water plus an annual charge of $276,000 for storage of imported water. The repayment period would be 50 years.

The Metropolitan Water District of Southern California

c/f Congressman Mavroules 7-10-82

November 23, 1981

Mr. Calvin T. Thomas
Fallbrook Farm Bureau Center
40451 Rockmountain Drive
Fallbrook, California 40451

Dear Mr. Thomas:

As requested by our director Hans H. Doe, enclosed is a copy of the General Manager's letter, dated September 29, 1981, regarding the Congressional Authorization of the Santa Margarita Project.

The following is an excerpt of the minutes of the October 13, 1981 regular meeting of the Board of Directors of The Metropolitan Water District of Southern California:

> (Minute Item 33949) Adopting a motion expressing support of H.R. 1527 (Burgener) providing Congressional authorization of the Santa Margarita Project, as reported in the General Manager's letter dated September 29, 1981.

If this office can be of further assistance, please let us know.

Very truly yours,

Karen E. Dorff
Executive Secretary

Encl.

pb
cc: Hans H. Doe

1111 Sunset Boulevard, Los Angeles, Calif. / Mailing address: Box 54153, Los Angeles, Calif. 90054 / Telephone: (213) 626-4282

5-16

The [illegible] District
of California
at its meeting held OCT 13 1981

Executive Secretary

The Metropolitan Water District of Southern California

September 29, 1981

To (Water Problems Committee)
Board of Directors (Executive Committee)

From General Manager

Subject: Congressional Authorization of the Santa Margarita Project

Summary

For many years there has been interest in constructing the multi-purpose Santa Margarita Project on the Santa Margarita River in northern San Diego County. The project would involve two reservoirs--Fallbrook Dam and Reservoir with a capacity of 36,500 acre-feet, and De Luz Dam and Reservoir with a capacity of 143,000 acre-feet. The estimated project yield is 11,500 acre-feet annually. The project has been studied by the Bureau of Reclamation and found feasible, and has been reviewed by the California Water Commission, which has endorsed the project. H.R. 1527 (Burgener) has been introduced in Congress to authorize construction of the project by the Bureau of Reclamation, and it is believed that Metropolitan should support such authorization.

Recommendation

That the Board of Directors support H.R. 1527 (Burgener) providing Congressional authorization of the Santa Margarita Project.

Detailed Report

Plans for conserving the flood flows of the Santa Margarita River have been under consideration for many years by the Fallbrook Public Utility District (PUD) and the U.S. Marine Corps Base at Camp Pendleton. An act of Congress in 1954 authorized construction of water conservation facilities on the Santa Margarita River. Implementation of this Congressional authorization was effectively precluded for many years by extensive water rights litigation between the United States of America and the Fallbrook PUD.

This litigation commenced in 1951 in the U.S. District Court which rendered a final judgment in 1966 and reserved continuing jurisdiction. This judgment catalogued the local

water rights in the Santa Margarita River, including the rights of the United States in Camp Pendleton. In 1968, the court approved a Memorandum of Understanding and agreement between the United States of America and the Fallbrook PUD. This Memorandum apportions the waters of the river between the United States and Fallbrook PUD and provides for the preparation of a project feasibility report by the U.S. Bureau of Reclamation for a two-dam project to implement this apportionment agreement. The Memorandum also provides for the assistance of the federal agencies who are signatory parties thereto in seeking Congressional authorization and funding for the project.

The Bureau of Reclamation has completed a Feasibility Report and an Environmental Impact Statement as required by the National Environmental Policy Act; and the Secretary of the Interior has concluded that the proposed project facilities are not only technically and economically feasible, but would also enhance the human environment.

The proposed project includes:

(1) The Fallbrook Dam and Reservoir approximately 2 miles north of Fallbrook, having a capacity of 36,500 acre-feet.

(2) The De Luz Dam and Reservoir on Camp Pendleton, having a capacity of 143,000 acre-feet.

(3) A water conveyance line from Fallbrook Reservoir to the Fallbrook PUD distribution system.

(4) A water conveyance line from De Luz Reservoir through Camp Pendleton.

(5) Park and recreational facilities in the Willow Glen area.

(6) Road access across the reservoirs to the north side of the river.

(7) Wildlife wilderness areas and fish hatcheries.

A map showing the location of the project is attached.

The proposed project facilities will not only impound the river waters which now flow essentially unused to the Pacific

Ocean, but will also provide for flood control, adequate reserve water storage for Fallbrook PUD and Camp Pendleton, a regional park for boating, swimming, fishing, camping and picnicking, and wild life habitat areas available for hiking, bird watching, nature study and wildlife photography.

Flows in the Santa Margarita River are directly related to the amount of rainfall in the watershed, and thus vary widely, depending on the annual rainfall. From data compiled by the Geological Survey, the following flows were recorded in the Santa Margarita River during the very rainy winter of 1968-69:

1. Passing Fallbrook - 72,270 acre-feet (200 percent of proposed reservoir capacity),

2. Passing Camp Pendleton - 116,800 acre-feet (64 percent of the total capacity of both project reservoirs).

Similar flood flows also occurred in 1977-78 and 1978-79. The average annual flows are much less than these maximums, however. According to the engineering studies, regulation of the storm flows will increase the yield obtained from the Santa Margarita River by 11,500 acre-feet annually.

The reservoir of water stored behind Fallbrook Dam will provide a reserve supply which could be utilized in the Fallbrook area for several years in the event of a catastrophy disrupting any of the imported water delivery facilities on which that community is now dependent.

The project facilities will provide an alternate source of water supply for the Marine Corps Base, Camp Pendleton, the U.S. Naval Hospital, and the Naval Weapons Station, Fallbrook Annex. The Base presently relies on groundwater as its sole source of supply, and the Department of the Navy considers the development of an alternate source vital to protecting its continually increasing investment in this huge Base complex.

The reservoirs could also be used to store water released from Metropolitan's San Diego Pipelines 4 and 5, which cross the Santa Margarita River about two miles upstream of the proposed Fallbrook Reservoir. Such water could be stored for emergency use by Fallbrook PUD, or possibly by other agencies in northern San Diego County.

Based on the Feasibility Report Amendment of 1976, the estimated cost of constructing all project facilities is $96,500,000 (January 1975 base), of which the Fallbrook PUD would be obligated to repay the Federal Government $27,845,000 (29 percent) over a 50-year period.

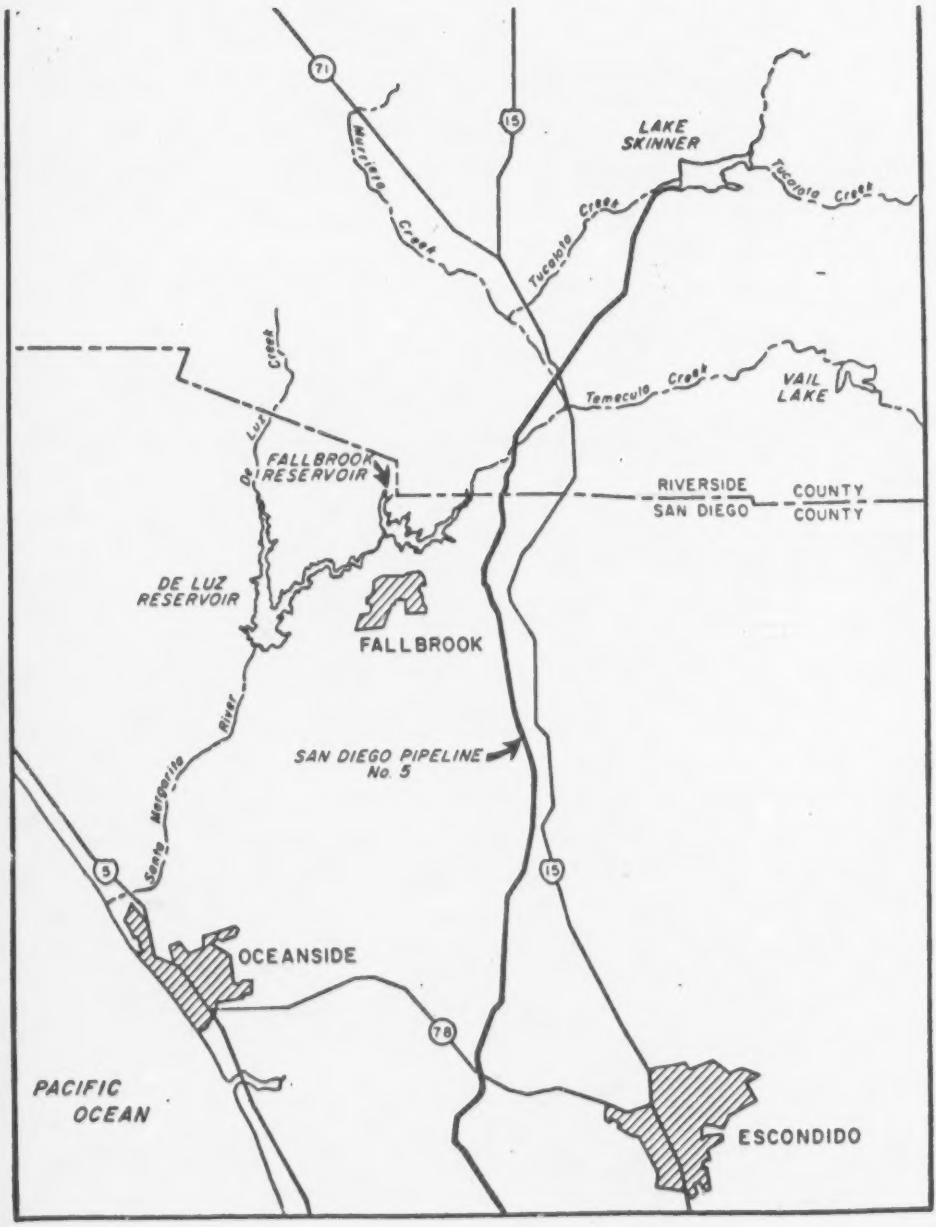
Upon the Congressional authorization and funding of the Santa Margarita Project, the Fallbrook PUD will be required to enter into a repayment agreement with the Bureau of Reclamation for the amortization of the construction, interest, and maintenance and operating costs of that portion of the project allocated to Fallbrook's usage. Neither the San Diego County Water Authority nor Metropolitan will have any financial obligation for this project.

On completion of the Feasibility Report by the Bureau of Reclamation, a number of public hearings were held, including hearings by the California Water Commission. Based on wide public support, the Commission endorsed the project and has included it on the list of projects to receive Federal authorization. In addition, the San Diego County Water Authority and many local agencies in San Diego County are in support of the project. In Congress, Representative Clair Burgener has introduced H.R. 1527 to authorize the Santa Margarita Project. Because of the benefits provided by augmenting Southern California's water supply, and because of other benefits provided by the project, it is concluded that Metropolitan should support passage of H.R. 1527.

Evan L. Griffith

DCB/vc

Enclosure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LAKE SKINNER
Tucalota Creek
Temecula Creek
VAIL LAKE
Temecula Creek
Luis Rey Creek
FALLBROOK RESERVOIR
RIVERSIDE COUNTY
SAN DIEGO COUNTY
DE LUZ RESERVOIR
FALLBROOK
Santa Margarita River
SAN DIEGO PIPELINE No. 5
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OCEANSIDE
78
PACIFIC OCEAN
ESCONDIDO

California Farm Bureau Federation
1601 Exposition Boulevard
Sacramento, CA 95815

July 14, 1982

A Farm Bureau Speedline Message For:

The Honorable Frank Murkoski, Chairman
Subcommittee on Water and Power
Committee on Energy Natural Resources
U.S. Senate
Washington, C.C. 20515

Dear Senator Murkoski:

The California Farm Bureau Federation, composed of over 96,000 member families, wishes to assure the Committee of its support for the two dam project in San Diego County known as the Santa Margarita Project. Senator S. I. Hayakawa has introduced S. 2684 to fund the project.

This project is universally supported in the community it would serve, and was approved by the state Legislature (AJR66) in May 1980, without an opposing vote. It has been approved by the San Diego County Water Authority and the San Diego Board of Supervisors.

One of the two dams (De Luz) would be located at the U.S. Marine Corps Camp Pendleton, which has consistently supported the project, and now relies completely on groundwater and processed waste water for their supply. The other dam (Fallbrook) is to be located two miles upstream of De Luz, both being on the Santa Margarita River. The city of Fallbrook now has only an extremely meager water storage capability. The water rights to the Santa Margarita River were adjudicated in Federal Court in 1966, and affirmed by the 9th Circuit Court of Appeals. The Fallbrook Public Utilities District relies chiefly on imported water supplies originating in the Colorado River and northern California, via the Metropolitan Water District of Southern California (MWD).

MWD water availability on the Colorado River will be diminished by 662,000 acre-feet annually when the Central Arizona Project is operative, possibly in 1985. It is essential that San Diego's water supply potential be fully developed as rapidly as practicable, since there is little support for transplanting northern California water hundreds of miles to serve an area which has not fully developed its own local resources.

The Santa Margarita Project is calculated to have a firm yield of about 11,500 acre feet per year. The community's water needs are increasing due to orderly growth in both population and irrigated agriculture. It is believed the beneficiaries would be able to repay, through user fees, the cost of those water supply aspects of the project which are properly allocated to irrigation and domestic needs.

We solicit your support for the funding of the Santa Margarita Project.

Sincerely,

HENRY J. VOSS
President

July 13, 1982

R. Brown

Senator Frank Murkowski
Chairman of Sub-Committee on
Water and Power
US Senate
Washington, D.C. 20510

Dear Senator:

Please vote in favor of building the Santa Margarita Dam (Senator S.I. Hayakawa's Bill S 2684). I urge you to support the building of the Dam in Southern California in order to collect and store much needed water for many new orchards and the increasing population in our community. The Dam is especially important since Arizona will claim 50% of the water from the Colorado River after 1985.

Please visit the North County of San Diego area at earliest opportunity. I am sure you will be impressed with the rapid growth of this agricultural community and its increasing demand for water.

Thank you.

Sincerely,
M. J. Brudnicki

The Metropolitan Water District of Southern California

Office of Board of Directors

July 13, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on
Water and Power
Committee on Energy and Natural
Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

We enclose for your information, a copy of a Resolution that the Board of Directors of The Metropolitan Water District of Southern California adopted at its July 13, 1982 meeting. The Resolution urges Congress to approve authorizing legislation for the Santa Margarita Project Facilities, proposed in Senate Bill S 2694 and HR 1527.

Very truly yours,

Karen E. Dorff

Karen E. Dorff
Executive Secretary

VEG:mc

Enclosure

1111 Sunset Boulevard, Los Angeles, Calif. / Mailing address: Box 54153, Los Angeles, Calif. 90054 / Telephone: (213) 250-6000

RESOLUTION 7922

RESOLUTION OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
IN SUPPORT OF AUTHORIZATION OF
THE SANTA MARGARITA PROJECT

WHEREAS, the proposed Santa Margarita Project provides a means for impounding and conserving the natural flows of the Santa Margarita River, a coastal stream north of San Diego, California, in the Fallbrook area, and adding a firm annual yield of 11,000 acre-feet of local water supply to that semi-arid region, and

WHEREAS the construction of this Project has been under consideration for many years by the Fallbrook Public Utility District and the Camp Pendleton Marine Corps Base, and

WHEREAS, the Fallbrook Public Utility District, the Secretary of the Interior, Secretary of the Navy, and the Attorney General entered into Memorandum of Understanding and Agreement March 4, 1968, to proceed jointly with a unified and comprehensive programs for sound management and maximum beneficial utilization of the water resources of the lower Santa Margarita River, and

WHEREAS, based on the Feasibility Report prepared by the Bureau of Reclamation, the Santa Margarita Project represents a desirable water resource development that would implement that agreement and strengthen the economy of the area, state and nation, since that Project is feasible and economically justified as demonstrated in that Report by a favorable benefit-cost ratio, and

WHEREAS, the Project not only provides for water conservation, but will also provide essential storage for emergencies to support present water imports for the area, and a means for flood control, wildlife enhancement, water-oriented recreation and enhancement of the human environment, and

WHEREAS, the Fallbrook Public Utility District is wholly dependent on imported water supplied by The Metropolitan Water District of Southern California via the San Diego County Water Authority, and future MWD water supplies have become subject to serious limitations as a result of a scheduled major reduction in Colorado River water supplies when the Central Arizona Project begins operation 1985, and serious delays in construction of State Water Project facilities needed for delivering contracted amounts of Northern California water to MWD, and

WHEREAS, in order to minimize the effect of possible future water shortages, MWD has encouraged all member agencies to develop local water sources and construct facilities to store imported water.

NOW, THEREFORE, BE IT RESOLVED THAT The Metropolitan Water District of Southern California urges the U.S. Congress to approve the authorizing legislation for the Santa Margarita Project, i.e., S 2684 in the Senate and HR 1527 in the House of Representatives.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held July 13, 1982.

Karen E. Orff

Executive Secretary
The Metropolitan Water District of
Southern California

CITY OF OCEANSIDE

MAYOR
LARRY M. BAGLEY

DEPUTY MAYOR
MELBA BISHOP

COUNCIL MEMBERS
WALTER A. GILBERT
JOHN MACDONALD
TED MARIONCELLI

July 12, 1982

The Honorable Frank Murkowski
Chairman, Sub-Committee on Water and Power
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Chairman Murkowski:

Attached is a copy of a resolution adopted by the City of Oceanside endorsing the proposed Santa Margarita Dam Project, and urging Congress to act quickly in authorizing that project (S2684 and HR1527).

Sincerely,

L Bagley

LARRY M. BAGLEY
Mayor

LMB/gfd
Attachment

RESOLUTION NO. 82-189

A RESOLUTION OF THE CITY COUNCIL OF OCEANSIDE IN SUPPORT OF THE SANTA MARGARITA PROJECT

WHEREAS, San Diego County relies on imported water for over 90% of its needs, and

WHEREAS, Northern San Diego County is critically deficient in local sources of water and storage facilities for imported water, and

WHEREAS, future imported supplies of water are being curtailed from the Colorado River, and restricted from Northern California because of defeat of the construction authorization for the Peripheral Canal, and

WHEREAS, the Santa Margarita Project has been developed after many years of study and water rights litigation and would develop 11,500 acre-feet of new local water production for the benefit of the Fallbrook Public Utility District and Marine Corps Base Camp Pendleton, and

WHEREAS, in drought conditions, the large storage capacity of 175,000 acre feet in the Santa Margarita Project could provide regional benefits to all North County,

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Oceanside:

1. Strongly supports the prompt construction of the Santa Margarita Project, with appropriate measures to ensure protection of the environment and minimize impacts on beach sand supply; and
2. Urges the U. S. Congress to act swiftly on pending legislation (S2684 and HR1527), which would authorize

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construction of this vital project.

PASSED AND ADOPTED by the Oceanside City Council on this 14th day of July, 1982, by the following vote:

AYES: BAGLEY, BISHOP, GILBERT, MACDONALD, MARIONCELLI

NAYES: NONE

ABSTAIN: NONE

ABSENT: NONE

Mayor of the City of Oceanside

ATTEST:

Rebecca La Fluter, Deputy
City Clerk

APPROVED AS TO FORM AND LEGALITY:

Charles Rewlett
City Attorney

2980 Los Alisos Dr.
Fallbrook, CA 92028
August 1,1982

Committee on Energy and Natural Resources
Sen. Frank Murkowski
Chairman of Sub-committee on Water & Power
U. S. Senate
Washington, D. C. 20510

Dear Sen. Murkowski;

There are many people in this area who would have liked to come to Washington to testify, but we could not.
I would like to submit the following letter to be added to the record on the authorization hearing on the Santa Margarita Dam Project in northern San Diego County California, S.2684.

I am interested in methods of conserving, recycling and well planned use of water. As an avocado and citrus grower I am sympathetic to agricultural water needs.
As an elected member of the Fallbrook Planning Group for 8 years, I have been concerned with the interests of the community.

One of my most immediate concerns about water is the hasty effort to get authorization for the Santa Margarita Dam Project.
The final cost of the two dams is unknown, a 1975 report gave an approximate cost of $200,000,000.00. That was 7 years ago!
There must be a cheaper way to store water.

At your hearing the Fish and Wildlife Service did not give any testimony. The environmental damage from the two dams is very significant.
The Santa Margarita dams if constructed would inundate Sandia Creek,which runs through a narrow canyon;oaks, sycamores and cottonwood trees over look numerous small waterfalls. "It is a beautiful spot in arid Southern California."

THE SANTA MARGARITA RIVER AREA MAKES UP MORE THAN HALF OF THE LAST REMAINING RIPARIAN FOREST IN SAN DIEGO COUNTY. THIS RIVER IS ALSO UNDISTURBED, NATIVE PLANTS, TREES AND ANIMALS AND BIRDS ABOUND. I HAVE BEEN PHOTOGRAPHING THE FALLBROOK DAM SITE AREA. THERE ARE NUMEROUS BEAVER DAMS WITH THEIR PONDS, MANY SMALL FISH CAN BE FOUND IN THESE PONDS.

THIS IS ALSO THE HABITAT FOR THE SECOND LARGEST COLONY OF BELL'S VIREO IN CALIFORNIA.

THE DAM PROJECTS WOULD DESTROY ONE OF THE LAST EXAMPLES OF THIS RARE RIPARIAN HABITAT IN SOUTHERN CALIFORNIA. THERE IS NO WAY THE LOSS OF THIS HABITAT CAN BE MITIGATED, THE SIDES OF THE PROPOSED LAKE WOULD BE TOO STEEP TO SUPPORT A SIMILAR ECOSYSTEM.

THE MOUTH OF THE SANTA MARGARITA RIVER ON CAMP PENDLETON IS ALSO CRITICAL HABITAT FOR THE FEDERALLY ENDANGERED CLAPPER RAIL AND LEAST TERN. THESE 2 BIRDS NEED THE OPEN RIVER MOUTH WHICH IS FLUSHED WITH SAND AND FLOOD WATERS TO MAINTAIN HEALTHY NESTING SITES. A NATURALLY FLOODING RIVER MAINTAINS A HEALTHY SALT MARSH AND HABITAT FOR FISH. WHEN A RIVER IS DAMMED IT WOULD BE VERY COSTLY TO KEEP THE RIVER CHANNEL OPEN.

SCRIPPS INSTITUTE OF OCEANOGRAPHY HAS STUDIED THE SOURCES OF SAND FOR THE SAN DIEGO COUNTY BEACHES. THIS RIVER IS A PRIME SOURCE FOR SAND. HOW THEN WOULD THE BEACHES BE REPLENISHED WITH SAND? ANOTHER EXPENSIVE PROJECT.

I BELIEVE CALIFORNIA NEEDS TO HAVE AN OVERALL PLAN FOR WATER NEEDS WHICH PROBABLY WOULD COST LESS THAN LOCAL EXPENSIVE DAMS SUCH AS THE SANTA MARGARITA PROJECT, OF THE BUREAU OF RECLAMATION S.2684.

SINCERELY,

Evelyn Ashton

EVELYN ASHTON

ROBERT P. WILL
ATTORNEY AT LAW
SUITE 1101-955 L'ENFANT PLAZA NORTH, SOUTHWEST
WASHINGTON, D. C. 20024
(202) 554-2470

August 4, 1982

Hon. Frank Murkowski
Chairman, Subcommittee on
Water and Power
Committee on Energy and
Natural Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

During hearings on S. 2684 authorizing the Santa Margarita Project, you requested further information on the impact in southern California of projected loss of Colorado River water and information on the status of water rights for the project.

California's share of Colorado River water is currently subject to two actions which will reduce its availability: start up of the Central Arizona Project and expanded Indian water rights. The coastal plain of southern California, which includes Camp Pendleton and Fallbrook, receives its Colorado River water from the Metropolitan Water District of Southern California, which holds the lowest priority rights on the river in California. Usage has averaged 800,000 acre-feet during the past few years, but went over 1.2 million during the 1976-77 drought in northern California. The Central Arizona Project will become operational in 1985-86, at which time the Metropolitan Water District's entitlement will be reduced to not more than 550,000 acre feet annually.

Indian claims currently being litigated in the Supreme Court will further reduce this amount if the claimants are successful. The Court-appointed Special Master has recommended to the Court that the reservations be allocated an additional 82,000 acre feet in California. Should this occur and, assuming normal system losses of 60,000 acre feet, Metropolitan's ability to deliver Colorado River water will be reduced to approximately 400,000 acre feet, or 50 percent of current usage.

The California Water Resources Control Board has issued water rights permits for the project, and the project is being coordinated with the State as provided in the Memorandum of Understanding between the

Bureau of Reclamation and the State dated July 16, 1979. Water rights licenses have not yet been issued by the State because, in California, a water rights permit does not convert to a license until the project is constructed and beneficial use is made of water.

Water rights applications for the project were obtained by the Federal Government in 1963 and by the Fallbrook Public Utility District in 1946 and 1947 in anticipation of the project. On December 6, 1973, the California Water Resources Control Board directed that the water rights permits held by the Navy and Fallbrook Utility District be transferred to the Bureau of Reclamation, and this was subsequently done. The Bureau now submits reports to the Board annually on the status of the project.

In 1975, the Bureau of Reclamation petitioned the Board to extend the time for completion of construction on the permits. The Board issued an order on March 18, 1976, approving an extension of time. A copy of the order (No. WR 76-5) is attached.

Very truly yours,

Robert P. Will
for Fallbrook Public
Utility District

Enclosure

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

In the Matter of Permits 8511, 11356, 11357, and 15000, Issued on Applications 11587, 12178, 12179, and 21471, UNITED STATES BUREAU OF RECLAMATION, Permittee	Order: WR 76-5 Source: Santa Margarita River County: San Diego

ORDER APPROVING EXTENSIONS OF TIME

BY BOARD VICE-CHAIRMAN MAUGHAN:

A public hearing was held before the State Water Resources Control Board on January 12, 1976 in accordance with Order WR 73-50 to allow the permittee to show cause for an extension of time within which to complete construction work and use of water under the permits. Permittee having appeared and presented evidence; the evidence having been duly considered, the Board finds as follows:

1. Development of separate projects under these four permits was contemplated by the former permittees but was precluded by extensive litigation until 1966. Since 1966 exploration and feasibility studies have been diligently prosecuted and have led to the present proposal for a consolidated project to be constructed by the U.S. Bureau of Reclamation.

2. The consolidated project, known as the Santa Margarita Project, includes storage dams at the Lippincott site under Permits 8511, 11356 and 11357 and at the DeLuz site under Permit 15000. Federal legislation for authorization of the project was introduced in the Congress in 1972, but the bill was retained in committee; the same legislation was reintroduced in 1973, but was not acted upon.

3. In accordance with Order WR 73-50, a license has been issued to confirm the underground storage portion of Permit 15000 and the former permittees have assigned the permits to the Bureau of Reclamation.

4. The amended Feasibility Report and Final Environmental Impact Statement were forwarded to the Federal Executive Branch for review in 1975 (RT 6). If the project is found to be consistent with the program of the Federal Administration, legislation will be again introduced seeking congressional authorization and funding.

5. The Feasibility Report (with addendum) and the Final Environmental Impact Statement prepared by the Bureau's Regional Office have not yet been compiled as the report of the Secretary of the Interior. There have reportedly been no significant changes in the project as described in the earlier versions of the reports, which were Staff Exh. 4 at the 1973 hearing which preceded Order WR 73-50. Minor changes may be necessary to conform the permits to the final project design (RT 10). The final documents are expected to be available for the Board's review soon (RT 10).

6. Beneficial use can be made of the water to be conserved by the presently proposed project if development is completed.

7. Notice of the requested time extensions was given to interested parties prior to the 1976 hearing; no protests were received and the former holders of the permits appeared at the hearing in support of the project.

8. The only known intervening water user between the project site and the mouth of the Santa Margarita River is the U.S. Navy, which would be a beneficiary of the Santa Margarita Project.

It is concluded from the foregoing findings that the many years of controversy regarding water rights on the Santa Margarita River and this project in particular have resulted in formulation of a plan which now appears to be unopposed. Subject to appropriate further review by the Board, the project should be carried to completion in accordance with the present plan of the parties of interest.

NOW, THEREFORE, IT IS ORDERED:

1. Time within which to complete construction and use of water under permits 8511, 11356, 11357, and 15000 is extended as follows:

Construction shall be completed on or before December 31, 1982.

Application of water to the proposed uses shall be completed on or before December 31, 1985.

2. Prior to commencement of project operation the permittee shall file appropriate petitions, if necessary, to conform the details of the permits to the final project design.

3. This order and any further orders issued by the Board concerning these permits and their terms and conditions shall be included in the documentation submitted to the Congress when authorization for the project is sought.

4. Term 7 of Permits 8511, 11356 and 11357 is amended and term 13 of Permit 15000 is added to read:

Pursuant to California Water Code Section 100, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

This continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to minimizing waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement such programs as (1) reusing or reclaiming the water allocated; (2) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (3) suppressing evaporation losses from water surfaces; (4) controlling phreatophytic growth; and (5) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

5. The following term is added as term 8 of Permit 8511, term 10 of Permits 11356 and 11357 and term 14 of Permit 15000:

The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

Dated: MAR 18 1976

W. DON MAUGHAN
W. Don Maughan, Vice Chairman

W. W. ADAMS
W. W. Adams, Chairman

ROY E. DODSON
Roy E. Dodson, Member

JEAN AUER
Jean Auer, Member